



South East of Scotland
Transport Partnership

PERFORMANCE & AUDIT COMMITTEE

Dean of Guild Courtroom, City Chambers, Edinburgh, EH1 1YJ

Or Microsoft Teams

Friday 5th June 2026 – 1:00pm

AGENDA

	Page Nos.
1. ORDER OF BUSINESS	
2. APOLOGIES	
3. DECLARATIONS OF INTEREST	
4. MINUTES	
(a) Performance and Audit Committee – Friday 27 th February 2026	3
(b) Project And Strategy Delivery Oversight Subgroup - 24 th April 2026	7
5. FINANCE REPORTS – Reports by Richard Lloyd Bithell and John Connarty	
(a) Unaudited Annual Accounts 2025-2026 and Treasury Management	10
(b) Revenue Budget 2026-2027	63
6. INTERNAL AUDIT PLAN 2026/2027 – Report by Colin McCurley	68
7. RISK MANAGEMENT FRAMEWORK – Report by Angela Chambers	92
8. PROJECTS AND STRATEGY UPDATE PAPER – Report by Michael Melton	107
9. PASDOS AND FUTURE REPORTING – Report by Michael Melton	126
10. HR POLICY REVIEW REPORT – Report by Angela Chambers	181
11. DATE OF NEXT MEETING	
The date of the next meeting is 11 September 2026	

Gavin King
Secretary to SEStran
Head of Democracy and Governance,
Chief Executive's Office,
The City of Edinburgh Council
Waverley Court 2.1
Edinburgh
EH8 8BG

Telephone: 0131 529 4239 or E-mail: gavin.king@edinburgh.gov.uk Agendas and papers for all SEStran meetings can be accessed on www.sestran.gov.uk

PERFORMANCE & AUDIT COMMITTEE

**Dean of Guild Court Room, City Chambers
on Friday 27 February 2026
1.00pm**

PRESENT:	<u>Name</u>	<u>Organisation Title</u>
	Councillor Tom Conn	West Lothian Council
	Councillor Derek Glen	Fife Council
	Councillor Scott Harrison	Clackmannanshire Council
	Councillor John McMillan	East Lothian Council
	Simon Hindshaw	Non-Councillor Member

IN ATTENDANCE:	<u>Name</u>	<u>Organisation Title</u>
	Brian Butler	SEStran
	Angela Chambers	SEStran
	Christopher Gardner	Audit Scotland
	Calum Finlayson-Crawshaw	Audit Scotland
	Michael Melton	SEStran
	John Connarty	The City of Edinburgh Council

A1. APPOINTMENT OF CHAIR

In the absence of the Chair, Councillor John McMillan was appointed to the Chair.

A2. ORDER OF BUSINESS

It was confirmed that there was no change to the order of business.

A3. APOLOGIES

Apologies were submitted on behalf of Councillor Imrie, Doreen Steele, Callum Hay and John Scott.

A4. DECLARATION OF INTERESTS

None.

A5. MINUTES

- 1) To approve the minute of the Performance and Audit Committee of Friday 21 November 2025 as a correct record; and
- 2) To note the minute of the Project and Strategy Delivery Oversight Subgroup of Friday 30 January 2025.

A6. FINANCE REPORTS

(a) Revenue Budget 2025/26 and Indicative Financial Plan 2027/28

An update on the development of a partnership budget for 2026/27 and an indicative financial plan for 2027/28 to 2028/29 was presented to the Committee, noting that the proposed revenue budget for 2026/27 would be presented to the Partnership Board for approval at the March 2026 meeting.

Decision

- 1) To note the financial planning assumptions for the Partnership's proposed budget for 2026/27;
- 2) To note that financial planning for 2026/27 to 2028/29 would continue to be developed for approval of a budget by the Partnership at its meeting on 13th March 2026; and
- 3) To note that the proposed budget was subject to a number of risks. All income and expenditure of the Partnership would continue to be monitored closely with updates reported to each Partnership meeting.

(Reference – report by the Treasurer, submitted)

(b) Annual Treasury Management Strategy 2025/26

The Treasury Management Strategy for 2025/26 was presented.

Decision

- 1) To refer the Strategy to the Partnership board to approve the continuation of the current arrangement.

(c) Finance Officer's report

The third update on the financial performance of the Partnership's Core and Projects budgets for 2025/26, in accordance with the Financial Regulations of the Partnership was presented along with an analysis of financial performance to the end of December

2025. It was acknowledged that the Partnership's Core and Projects budgets for 2025/26 were approved by the Partnership on 14th March 2025.

Decision

- 1) To note the balanced forecast for the Core revenue budget for 2025/26
- 2) To note the forecast underspend of £70,000 on the Projects budget. The actual underspend would be confirmed at the financial year-end and carried forward to 2026/27.

(Reference – report by the Treasurer, submitted)

A7. EXTERNAL ADUIT PLAN 2026/27

The External Auditor's Annual Aduit Plan for 2025-26 was presented.

Decision

- 1) To note the External Audit Annual Aduit Plan;
- 2) To refer the External Audit Annual Aduit Plan to the Partnership Board meeting of 13 March 2026 for noting.

(Reference – report by the Treasurer, submitted)

A8 RISK MANAGEMENT FRAMEWORK

The quarterly update on SEStran's corporate risk register was presented.

Decision

- 1) To note the contents of the report;
- 2) To note that the corporate risk register would be presented to the 13 March 2026 Partnership Board for noting;
- 3) To note that a paper on the risks and opportunities presented by a review into transport governance (R001) would be presented to the Partnership Board on 13 March 2026.

(Reference – report by the Business Manager, submitted)

A9. PROJECTS AND STRATEGY PERFORMANCE REPORT

An update on the performance of the Partnership's strategy and

project workstreams in Quarter 3 of 2025/26 was presented, noting that the report was presented to the Project and Strategy Delivery Oversight Subgroup (PaSDOS) on 30 January 2026.

Decision

To note the contents of this report

(Reference – report by the Programme Manager, submitted)

A10 Asset Management Strategy

An update was presented on the Partnership's Asset Management Strategy and Asset Derecognition Form to the Committee for approval in line with organisational procedures and to address the recommendations from the Annual Audit Report 2024-25.

Decision

To approve, subject to any recommended changes following a discussion with External Auditors and the Treasurer around delegated asset derecognition limits to the Partnership Director, the update to the SEStran Asset Management Strategy and the associated process to approve derecognition of assets through the Asset Derecognition Form

A11. CONTRACTS REGISTER

The contract register was presented for review in line with a commitment to transparency in procurement.

Decision

To note the Contract Register as attached at Appendix 1 of the report by the Programme Manager.

(Reference – report by the Programme Manager, submitted)

A12. DATE OF NEXT MEETING

5 June 2026

PROJECT AND STRATEGY DELIVERY OVERSIGHT SUBGROUP

Virtual Meeting via Microsoft Teams on 30 January 2026, 2.00 pm

PRESENT:	<u>Name</u> Councillor Conn Alastair Couper John Scott	<u>Organisation Title</u> West Lothian Council Non-Councillor Member Non-Councillor Member
-----------------	---	---

IN ATTENDANCE:	<u>Name</u> Michael Melton Rachael Murphy Stuart Turnbull	<u>Organisation Title</u> SEStran SEStran SEStran
-----------------------	--	--

Action by

1. ORDER OF BUSINESS

Agreed a revised order at the start of the meetings as per these minutes

2. APOLOGIES

Apologies were submitted on behalf of Simon Hindshaw and Brian Butler. Councillor McMillan sent his apologies during the meeting due to technical issues.

3. DECLARATION OF INTERESTS

None.

4. MINUTES OF THE SUBGROUP – 24 October 2025

Agreed as presented

5. ACTIONS FROM THE LAST MEETING

It was noted that all actions have been completed

9. PROJECTS AND STRATEGY RISK REGISTER

The risk of lack of NHS engagement in the Transport to Healthcare strategy was discussed, and while it was acknowledged that this has improved, specific follow up is needed with NHS Fife who lack a specific contact who can take decisions in this area, and RM is drafting a letter from BB to NHS Fife's CEO to request greater input.

Governance of projects, specifically People and Place was raised to ensure there is sufficient scrutiny of decisions and progress. It was agreed that an additional PaSDOS meeting be held to discuss project governance overall in context of the 26/27 Business Plan, MM to arrange and prepare a discussion paper for this.

MM

Decision

It was agreed to note the contents of the report.

8. PROJECTS AND STRATEGY PERFORMANCE REPORT

The report was presented to the group, with focus drawn to the anticipated £230,000 projects underspend for 25/26 – the reasons for this were set out, including funding availability in 26/27, and that this would be reported to the next Board meeting.

Decision

It was agreed to note the contents of the report.

6. PROJECT SESTRANSIT

ST presented the latest project update alongside the provided paper. Discussion following this focused on the following:

- With cost of implementation so high, how will proposals be delivered? Current plan is to complete the whole project to Strategic Business Case stage, then take projects individually/in smaller groups to Outline Business Case Stage, that way specific areas of work that are quicker, such as bus projects, can progress without being held back waiting for funding for the whole network. A 20-30 year programme will also be developed to support funding discussions.
- How to ensure buy-in from transport operators who have their own future plans? Current focus due to time constraints has been local authorities and Network Rail, but plan for 26/27 is to broaden this out, also need to consider which operators

would provide services that are more focused on regional connectivity rather than local journeys.

- How to ensure the mass transit regional focus doesn't lose sight of local connectivity? It was noted that there was no single solution for the whole region, and some areas would be served well by improving bus connectivity to train stations. It was also noted that this is where the Regional Bus Strategy delivery will tie in with Project SEStran.
- How to secure buy in from all relevant parties? It was noted that the aim was for buy in throughout, but that the outputs of the Strategic Business Case must make the strongest case for funding so it is likely that they will not include all projects that each partner wants to see delivered.

Decision

It was agreed to note the contents of the report.

7. BUSINESS PLAN 2026/27

RM gave a brief presentation on plans which focused on adopting a programmatic approach with four programmes with clear objectives that will make it easier to communicate SEStran's work to external stakeholders.

10. DATE OF NEXT MEETING

MM to circulate options as per action from item 9.

MM

Unaudited Annual Accounts 2025/26 and Treasury Management report 2025/26

1.	Introduction
1.1	This report presents:
1.1.1	the unaudited Annual Accounts for the year ended 31st March 2026
1.1.2	the annual Treasury Management report for 2025/26.
2.	Unaudited Annual Accounts 2025/26
2.1	The unaudited Annual Accounts are submitted to the Partnership in accordance with the Local Authority Accounts (Scotland) Regulations 2014. The accounts are subject to audit and the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.
2.2	The unaudited Annual Accounts are appended at Appendix 1.
2.3	The Treasurer's opinion on the effectiveness of the Partnership's system of internal financial control is provided within the Annual Governance Statement on pages 12 to 14. The Treasurer's opinion is informed by the work of Internal Audit and managers in the Partnership. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.
2.4	The Management Commentary is on pages 2 to 10 of the Annual Accounts. This highlights key aspect of financial performance during the year. The unaudited underspend is £180,000. This comprises an underspend of £22,000 on the Core revenue budget, an underspend of £97,000 on the Projects budget and a further project budget carry forward of £61,000 to meet future lease commitments for an electric bicycle scheme.
3.	Reserves
3.1	In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve. At 1st April 2025, the Partnership had an unallocated General Fund Reserve of £221,000.
3.2	Subject to confirmation of the audited outturn position, the Partnership will be asked to approve carry forward of the Core budget underspend of £22,000. This will increase the unallocated reserve to £243,000.

3.3	Underspends of £158,000 on project budgets in 2025/26 will be managed by establishment of an earmarked balance, in accordance with the Partnership's Reserves Policy. The proposed allocation of £97,000 of this balance is set out elsewhere on this agenda. The balance of £61,000 for the electric bike lease will be used over 2026/27 to 2028/29 to meet the financial commitments under this lease.																												
4.	Treasury Management report 2025/26																												
4.1	The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector. Under the code, an annual report on Treasury Management must be submitted to the Partnership at the end of each financial year.																												
4.2	The Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council and is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness between the Council and the Partnership.																												
4.3	For 2025/26, interest was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances.																												
4.4	Net end of month balances for 2025/26 are shown below.																												
	<table border="1"> <thead> <tr> <th></th> <th>Balance due to SEStran(+ve)</th> </tr> </thead> <tbody> <tr> <td>Opening Balance</td> <td>£1,030,395</td> </tr> <tr> <td>30 April 2025</td> <td>£1,793,542</td> </tr> <tr> <td>31 May 2025</td> <td>£1,183,977</td> </tr> <tr> <td>30 June 2025</td> <td>£277,201</td> </tr> <tr> <td>31 July 2025</td> <td>£1,390,623</td> </tr> <tr> <td>31 August 2025</td> <td>£562,096</td> </tr> <tr> <td>30 September 2025</td> <td>£578,435</td> </tr> <tr> <td>31 October 2025</td> <td>£1,138,737</td> </tr> <tr> <td>30 November 2025</td> <td>£807,368</td> </tr> <tr> <td>31 December 2025</td> <td>£373,870</td> </tr> <tr> <td>31 January 2026</td> <td>£34,261</td> </tr> <tr> <td>28 February 2026</td> <td>£739,342</td> </tr> <tr> <td>31 March 2026</td> <td>£260,842</td> </tr> </tbody> </table>		Balance due to SEStran(+ve)	Opening Balance	£1,030,395	30 April 2025	£1,793,542	31 May 2025	£1,183,977	30 June 2025	£277,201	31 July 2025	£1,390,623	31 August 2025	£562,096	30 September 2025	£578,435	31 October 2025	£1,138,737	30 November 2025	£807,368	31 December 2025	£373,870	31 January 2026	£34,261	28 February 2026	£739,342	31 March 2026	£260,842
	Balance due to SEStran(+ve)																												
Opening Balance	£1,030,395																												
30 April 2025	£1,793,542																												
31 May 2025	£1,183,977																												
30 June 2025	£277,201																												
31 July 2025	£1,390,623																												
31 August 2025	£562,096																												
30 September 2025	£578,435																												
31 October 2025	£1,138,737																												
30 November 2025	£807,368																												
31 December 2025	£373,870																												
31 January 2026	£34,261																												
28 February 2026	£739,342																												
31 March 2026	£260,842																												
4.5	Interest is calculated on the average monthly balance. The interest rate applied was 3.663%, giving an interest payment of £30,248.																												
5	Recommendations																												
	It is recommended that the Performance and Audit Committee notes:																												
5.1	the unaudited Annual Accounts for 2025/26 and refer the Unaudited Accounts to the Partnership Board for review;																												
5.2	the annual Treasury Management report for 2025/26;																												

5.3	the audited Annual Accounts, incorporating the Auditor's report, will be presented to the Performance and Audit Committee and Partnership Board in due course.
------------	--

Richard Lloyd-Bithell

Treasurer

28th May 2026

Appendix Unaudited Annual Accounts 2025/26
Contact Thomas.Stokes@edinburgh.gov.uk

Policy Implications	There are no policy implications arising as a result of this report.
Financial Implications	There are no financial implications arising.
Equalities Implications	There are no equality implications arising as a result of this report.
Climate Change Implications	There are no climate change implications arising as a result of this report.

**The South East of Scotland
Transport Partnership
(SESTRAN)**

**Unaudited
Annual Accounts**

2025/2026

The South East of Scotland Transport Partnership (SESTRAN)

CONTENTS

	<u>Page</u>
Management Commentary	2 - 10
Statement of Responsibilities for the Annual Accounts	11
Annual Governance Statement	12 - 14
Remuneration Report	15 - 16
 <u>Accounting Statements and Notes to the Annual Accounts:</u>	
Annual Accounts	
<i>1. Movement in Reserves Statement for the year ended 31st March 2026</i>	17
<i>2. Comprehensive Income & Expenditure Statement for the year ended 31st March 2026</i>	18
<i>3. Balance Sheet as at 31st March 2026</i>	19
<i>4. Cash Flow Statement for the year ended 31st March 2026</i>	20
Statement of Accounting Policies	21 - 24
Notes to the Annual Accounts	25 - 49

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary

1. Basis of Accounts

The Partnership prepares its Annual Accounts in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom. The Code of Practice is based on International Financial Reporting Standards (IFRS).

2. Statutory Background

The South East of Scotland Transport Partnership (SESTRAN) was established on 1st December 2005 under the Regional Transport Partnerships (Establishment, Constitution and Membership) (Scotland) Order 2005.

The Partnership's main source of funding is an annual revenue grant from Transport Scotland. Under Section 3 of the Transport (Scotland) Act 2005, the net expenses of SEStran, after allowing for the government grant and any other income, are met by its constituent councils. The constituent councils are City of Edinburgh, Clackmannanshire, East Lothian, Falkirk, Fife, Midlothian, Scottish Borders and West Lothian. In accordance with Section 122 of the Transport (Scotland) Act 2019, the Partnership has established a General Fund reserve.

3. Corporate Strategy

Regional Transport Partnerships (RTPs) have a statutory remit which includes developing a Regional Transport Strategy (RTS) in partnership with member local authorities and other stakeholders, monitoring and reporting on progress of the strategy's implementation. The current RTS - SEStran 2035 - was approved by Scottish Ministers in March 2023 and replaces the Regional Transport Strategy 2015 - 2025 Refresh published in July 2015. It addresses the transport problems and issues being experienced in the SEStran region.

The SEStran region covers 8,400km², which is just over 10% of Scotland's landmass. It has 11,821 km of roads and over 870,000 cars. It is hugely diverse and includes areas which fall into every one of the Scottish Government's six-fold urban-rural classification. The total population of the SEStran area was estimated as 1,619,460 in 2024 (National Records of Scotland mid-year population estimate 2024). Drivers in our region covered 3,201 million km in 2025.

The majority of the population is concentrated in the centre of the SEStran area with large, sparsely populated rural areas to the north, south, and east particularly the remote rural areas in north and east Fife, Scottish Borders and East Lothian. The greatest concentration of population is within the City of Edinburgh, which accounts for approximately 32% of the total SEStran region population.

The new RTS sits within a policy hierarchy which spans the national, regional and local levels. In particular, the RTS has been developed within the policy framework provided by the National Transport Strategy 2 which was published in February 2020, and set out four strategic priorities, as well as defining a Sustainable Travel Hierarchy. These four priorities and hierarchy have been used to guide the development of this RTS. The Partnership's Vision Statement is "a South-East of Scotland, fully integrated transport system that will be efficient, connected and safe; create inclusive, prosperous and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets."

The 4 key strategy objectives outlined in the RTS are:

- Transitioning to a sustainable, post-carbon, transport system
- Facilitating healthier travel options
- Transforming public transport connectivity and access across the region
- Supporting safe, sustainable and efficient movement of people and freight across the region.

Work to deliver the RTS takes various forms including:

- Collaborating with local authority partners to ensure that their Local Transport Strategies, Development Plans and related strategies or policies, all align with the RTS
- Leading on the development of strategies to help partners to tackle transport issues which can be more effectively addressed at a regional level
- Influencing senior stakeholders such as Scottish and UK governments, Transport Scotland, local authority partners, community planning partnerships, other RTPs, NHS, transport operators, and transport users' groups
- Building test cases for, and piloting, innovative solutions to transport problems, particularly where this would not be feasible for individual local authorities
- Seeking innovative funding mechanisms to support the delivery of priority projects
- Supporting on-the-ground delivery of regional projects by working with partners, consultants etc to develop detailed project plans and, where relevant, funding delivery of these plans.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

3. Corporate Strategy (*continued*)

The Corporate strategy for 2026/27 will include a focus on transport governance and the regionalisation of key public sector activities including economic growth, land use planning and transport. These discussions are described in detail in the Risks and opportunities section of this report.

The Partnership will develop a Target Operating Model for transport in Scotland, showing what it considers to be the:

- Ideal split of roles and responsibilities between national, regional and local levels
- Any additional powers required by RTPs to facilitate delivery of this model

This model will then be used to inform SEStran's responses to the two main consultations taking place in 2026/27 – the Transport Scotland review of Transport Governance, and the Scottish Government's work on empowering Regional Economic Partnerships.

4. Risks and Opportunities

The principal risks and uncertainties faced by the Partnership in recent years have traditionally fallen into two main categories - financial and transport governance.

Financial Risks and Opportunities

In recent years, the Partnership has had 3 main sources of funding:

- Annual grant funding from Transport Scotland
- Ringfenced funding for specific projects or activities e.g. People and Place (active travel behaviour change)
- Requisition from each of the eight local authority partners

Annual grant funding from Transport Scotland

The annual grant from Transport Scotland remained at the same level for around 15 years, but, in 2024/25, it was reduced by 5% in line with reductions across the Scottish Government. In absolute terms, Council requisitions have reduced by 10% over the last 15 years. Taken together, in real terms, funding from Transport Scotland and our Council partners has reduced by well over 50% over the last 15 years.

This reduced level of funding from Transport Scotland continued into 2025/26 and will remain at this level in 2026/27. However, there remains a real risk that there will be further reductions to our core grant, which is designed to cover the Partnership's core costs, in 2027/28 and beyond.

In addition, Transport Scotland is currently reviewing future core funding for RTPs. It is understood that the split of funding across RTPs is being examined, as smaller RTPs have long argued that they are underfunded in relation to larger RTPs such as SEStran. We support this argument as long as our current level of funding is taken as a baseline, and the percentage split is changed by the award of new funding to the smaller RTPs. We will resist any attempts to reduce our current funding by re-allocating some of it to the smaller RTPs.

Ringfenced project funding

In 2025/26, the Partnership received an additional £6.45m of grant funding for the People and Place active travel behaviour change programme. This funding is ringfenced and most was passed through to local authorities and active travel delivery partners whose projects qualified for funding under the grant standing orders (SOs) and funding processes which have been approved by the Partnership.

People and Place funding for 2026/27 has been reduced by £1.2m, reflecting revenue pressures facing the Scottish Government. This reduction does not have a significant impact on SEStran, but does impact our ability to deliver this important aspect of the Regional Transport Strategy.

RTPs have also been awarded around £9m in 2026/27 to tackle transport barriers to reducing child poverty. SEStran will receive £2.5m of this Transport to Employment funding and we are working with our partner local authorities to help low income families with children to access paid employment or training opportunities. This funding has only been confirmed for one year, but all RTPs will aim to make a strong case that it should be continued in future if improvements in access are to be maintained beyond this year.

Council requisitions

Transport Scotland has encouraged RTPs to increase Council requisitions and we had planned to seek an increase of 10% for the 2026/27 financial year. However, with council budgets already under significant pressure, it was decided to delay any increase and to fully consider how we can best work with our partners. It is anticipated that, at the September meeting of our Partnership Board, we will submit a paper proposing an updated mechanism for agreeing funding of future workstreams. We are hopeful that this will provide a greater degree of certainty about future funding.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

4. Risks and Opportunities (*continued*)

Mitigations are in place both to reduce the probability and impact of these risks, and to respond to them if they become issues.

Primary amongst these are:

- Influencing central and local government partners by building strong cases for further investment in SEStran
- Making prudent planning assumptions
- Monitoring income and expenditure on a monthly basis and adjusting expenditure to mitigate against any forecast overspends
- Holding an appropriate cash reserve to be used in the event that an overspend cannot be prevented by other controls.

Transport Governance

Transport Scotland is planning to review transport governance in 2026/27, and discussions on strengthening Regional Economic Partnerships will take place in 2026 with legislation earmarked for 2027/28.

These initiatives present both a risk and an opportunity to SEStran.

Transport governance refers to the respective roles and responsibilities of Transport Scotland, the 7 Regional Transport Partnerships, 32 local authorities and selected other partners.

Over recent years, there has been much discussion about the need for this review. Successive independent reports have proposed that Transport Scotland should devolve much of its workload to other organisations which, due to better understanding of regional or local requirements, may be better placed to prioritise and deliver projects in their region or local authority area.

The recent transfer of People and Place responsibilities, and subsequent award of Transport to Employment funding, indicate that Transport Scotland supports a regional approach to the governance of at least some transport functions. SEStran is aiming to build on this by actively engaging with Transport Scotland about other matters where it believes it can make a significant positive impact.

The Scottish Government has also committed to strengthening the ability of regional partnerships to drive economic growth. Although not explicitly mentioned to date, transport will form a key part of these discussions since it is a key enabler of land use planning and economic growth.

The government is currently consulting on models and the powers required to support this change, and all RTPs including SEStran will be part of this process. We are currently developing a 'gold standard' model for how transport would be improved in the SEStran region, for presentation to our Partnership Board, at its June meeting. This will then form the basis of our input into discussions on regionalisation.

5. Results for the Year

The net revenue budget of the Partnership in 2025/26 was £0.933m, funded by Scottish Government grant of £0.743m and Council Contributions of £0.190m. In summary:

- The Partnership had a Core budget underspend of £22,000.
- After inclusion of carry forward of £0.264m from the 2024/25 Projects budget underspend, the Partnership had a Projects budget underspend of £0.097 in 2025/26. A further £0.061m of Projects expenditure is carried forward to 2026/27 to meet future lease commitments for an electronic bicycle scheme.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

A summary of the 2025/26 financial results is shown in the table below.

	Revised Budget £'000	Earmarked Reserves from 24/25 £'000	Total Available Funding £'000	Outturn £'000	Variance from Total Funding £'000
Core Budget	856	0	856	864	(22)
Core Budget - Interest Received	0	0	0	(30)	
Revenue Projects - Expenditure	6,483	251	6,734	6,778	(97)
Revenue Projects - Income	(6,406)	13	(6,393)	(6,534)	
Revenue Projects - Electronic Bicycle Lease	0	84	84	23	(61)
Total Expenditure before Government Grant and Council Contributions	933	348	1,281	1,101	(180)
Government Grant	(743)	0	(743)	(743)	0
Constituent Council Requisitions	(190)	0	(190)	(190)	0
Total Government Grant and Council Contributions 2025/26	(933)	0	(933)	(933)	0

Core budget

The Core budget provides for the day-to-day running costs of the Partnership and includes employee costs, premises costs and supplies and services. The principal favourable variances on the Core budget arose due to:

- £37,000 of additional employee costs being recharged to the Projects budget
- £30,000 of interest received on revenue balances reflecting the additional cash balances that the Partnership benefited from through the People and Place Programme.

The principal adverse variances which arose on the Core budget were employee costs (£33,000) and IT device refresh (£11,000), resulting in a net Core budget underspend of £22,000.

Projects budget

The Partnership incurred expenditure of £6.778m on revenue projects and received external grants and contributions of £6.534m. After inclusion of carry forward of £0.264m from the 2024/25 Projects budget underspend, the Partnership had a Projects budget underspend of £97,000 in 2025/26.

A further £0.061m of Projects expenditure is carried forward to 2026/27 to meet future lease commitments for an electronic bicycle scheme.

The principal favourable variances on the Projects revenue budget arose on the following projects:

- £50,000 - Freight Strategy
- £37,000 - RTS Delivery Plan

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy and established an unallocated reserve. At 1st April 2025, the Partnership had an unallocated General Fund Reserve of £221,000. At 31st March 2026, this increased to £243,000. Slippage on project delivery from 2025/26 to 2026/27 will be managed by establishment of an earmarked balance per the Partnership's Reserves Policy.

Treasury Management

The Partnership has adopted the CIPFA Code of Practice on Treasury Management in the Public Sector. The Partnership maintains its bank account as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council and is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness between the Council and the Partnership. For 2025/26, interest of £30,248 was calculated in accordance with the (withdrawn) Local Authority (Scotland) Accounts Advisory Committee's Guidance Note 2 on Interest on Revenue Balances. The role of Treasury Management in the management of financial risks is referenced in Note 24.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

Non Financial Results

During 2025/26, the Partnership progressed work on a number of exciting projects and on the development of strategies essential to facilitate delivery of the RTS.

Regional Transport Strategy Delivery Plan

The Regional Transport Strategy is the guiding light for everything required to improve transport across our region. Its Delivery Plan provides a mechanism to assess and prioritise regional projects required over the next ten years to realise the ambitions of the Regional Transport Strategy, supporting the economic and net-zero goals of the Regional Prosperity Framework. The Regional Transport Strategy Delivery Plan supports the delivery of a transport network that:

- Takes climate action
- Addresses inequalities and accessibility
- Improves health and wellbeing
- Supports sustainable and inclusive economic growth
- Improves safety and resilience.

The Regional Transport Strategy Delivery Plan complements Strategic Transport Projects Review 2 (STPR2), highlighting projects within and outside the plan that contribute to the Partnership's vision for transport in South East Scotland. Over the course of 2025/26, the Partnership worked with transport, planning and economic development colleagues from both the Edinburgh and South East of Scotland City Region Deal and partner local authorities to develop a matrix of regional projects. They agreed scoring and weighting that brings parity across our eight authorities.

In 2025/26 these priorities were split into 6 key themes:

- Decarbonisation
- Digital
- Freight
- Active Travel
- Mass Transit
- Interchanges

One of these themes, Mass Transit, has now been formed into the SEStransit Programme which is described below.

SEStransit

A key theme from the RTS Delivery Plan, SEStransit is a transformational, once-in-a-generation opportunity to reshape how people move across South East Scotland. It will deliver a faster, greener and more reliable regional transport system - one that matches the scale of our economic ambition, supports inclusive economic growth, and enables tens of thousands more people to travel sustainably every day.

At its heart, SEStransit imagines a region where buses, trains, trams and other shared modes operate not as fragmented services but as a single, fully integrated, high-capacity mobility system, supported by seamless interchanges, smart ticketing, real-time information and world-class digital tools. This is a bold step toward creating a regional network that is coherent, coordinated and futureproof - a system where passengers can move effortlessly between modes, access employment, housing, healthcare and education sites, and rely on a transport network that works for every community. In doing so, it will accelerate decarbonisation and reduce congestion, expand opportunity and strengthen the resilience, wellbeing and economic opportunity of communities across the region.

SEStransit will provide the robust evidence, modelling and delivery pathways required to unlock major investment, drive regional cohesion and support Scotland's climate, modal shift and economic priorities.

In 2025/26 work was undertaken to develop a Strategic Business Case, which will be completed in Q1 of 2026/27. When this Business Case has been approved, we will move to an Outline Options appraisal which will identify a number of potential solutions to each of the challenges identified.

People and Place

The People & Place Programme is a region-shaping initiative designed to reshape how communities move, connect and thrive. We funded over 100 project across the region, delivering multi million targeted investment in the local authorities, third sector delivery partners, and community groups that support making active and sustainable travel not just possible, but the preferred choice for everyday journeys. By empowering schools, workplaces, communities and local authorities, the programme drives a fundamental shift away from car dependency and towards healthier, fairer and cleaner daily journeys for everyone.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

People and Place (*continued*)

At its core, this programme unlocks real behaviour change at scale—removing barriers to access, widening participation, and embedding the skills, systems and confidence needed to create lasting change. It results in expanded access to cycles across the region, increasing active journeys to schools through projects such as walking buses and cycle training, supporting increased use of public transport through provision of mobility hubs and enhanced bus stop information, and working with community groups to deliver change at a local level to achieve regional impact.

Coordinated at a regional level to achieve maximum impact through concentrated investment, it advances inclusion, enhances accessibility, and strengthens local capability, while supporting the shift to net zero and Scotland's wider climate, health and economic ambitions.

Specifically, the programme aims to:

- Increase the proportion of active and sustainable journeys in the region
- Increase awareness of the benefits of active and sustainable travel to encourage future behaviour change
- Increase the use of active and sustainable travel modes among underrepresented groups in the region who might face additional barriers
- Collaborate with local authorities and third-sector partners to strengthen capacity and capability in active and sustainable travel

The results for 2025/26 are currently being evaluated and will be reported to the Partnership Board – in June 2026. It is anticipated that the evaluation report will demonstrate that we have built on the very positive evaluation of the programme's first year 2024/25.

Transport to Health (TtH)

Getting to and from an appointment at a hospital, at the local doctor's surgery or other healthcare setting can be difficult for many people. The result of not getting appropriate treatment where and when it is needed can be poorer health outcomes which impact people and the NHS.

The Partnership is working with healthcare partners across the region to better understand the barriers to healthcare and to find ways to tackle them.

During 2025/26 we conducted a Literature Review and developed a Case for Change, both of which were approved by the Partnership Board. These demonstrated that there are significant barriers to healthcare, which disproportionately affect older people, and those living in rural or deprived areas.

As well as worse health outcomes for individuals, these barriers increase costs to the NHS and reduce economic activity rates which are a key component of productivity and economic growth.

Therefore it will be argued that tackling these barriers will result in significant returns elsewhere in the economy, and that the costs should be shared across central and local governmental departments.

Regional Bus Strategy

The Partnership Board has approved the development of a world-class bus service for the SEStran region. Pre-covid, almost half of residents in the region used a bus at least once a month. The impact of covid saw this reduce drastically, and many operators have had to reduce the number and frequency of services they offer due to falling patronage and increased costs.

Buses account for 75% of commuter journeys across Scotland. Reduced service provision disproportionately affects deprived areas and impacts people's ability to access employment, education and healthcare. This means that there is an impact on the economy, education levels, and poverty.

As a result, SEStran began developing a Regional Bus Strategy in 2024/25. The strategy was launched in December 2025 and the associated Action Plan kicks off in May 2026 when the Programme Board meets for the first time.

Grounded in our 2025/26 consultation that heard from thousands of voices from across our communities and driven by a clear vision for affordable, reliable, inclusive mobility, this programme will reshape how the region moves - strengthening opportunities, reducing inequalities, and positioning public transport as the natural first choice for everyday travel.

We are building a system that delivers consistently, connects communities fairly, and competes confidently with private car travel. Our work will unlock faster and more dependable journeys through targeted bus priority measures; simplified and integrated fares and ticketing; moving toward a clear and trusted network identity; and ensuring all users benefit from high-quality information, infrastructure, and customer experience.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

5. Results for the Year (*continued*)

Thistle Assistance and Realtime Passenger Information (RTPI)

Thistle Assistance provides support to people who find using public transport challenging, and we manage this initiative on behalf of all RTPs across Scotland. The scheme has exceeded all expectations in 2025/26, with usage ballooning from previous levels due to the excellent efforts of the team. We continue to support the rollout of RTPI screens across the region. These play a crucial role in journey planning and in improving the perception of safety when using public transport – because people know exactly when a bus will arrive at their stop.

6. Future Developments

The Partnership's Business Plan for 2026/27 builds further on the work undertaken in 2025/26. It identifies seven priority workstreams, including five continuing programmes:

- Regional Transport Strategy Delivery Plan
- SEStran
- People and Place
- Transport to Health
- Regional Bus Strategy Delivery Plan

And two new programmes:

- Travel to Employment
- Workforce Mobility

All supported by a number of cross-cutting initiatives including:

- Thistle Assistance
- Realtime Passenger Information
- Digital

Regional Transport Strategy Delivery Plan

Work on two of the six themes in the Delivery Plan, Mass Transit (SEStran) and Active Travel (People and Place), is progressing well and plans for 2026/27 are described below. Further work will be done on other elements of the Delivery Plan, primarily on the Digital and Interchanges themes, both of which are required to support SEStran.

SEStran

At the time of writing, we are relatively confident that Transport Scotland will confirm funding of up to £500k, through the Bus Infrastructure Fund, for the next phase of the programme. This will allow us to complete all elements of the Strategic and Outline Business Cases during 2026/27 (exact timescales to be confirmed).

The programme has access to additional funding – possibly up to £100k from the Local Growth Fund via the Edinburgh and South East Scotland City Region and it is likely that we will seek funding from all programme partners. They have been advised of this likelihood, but the exact amounts cannot be confirmed until Transport Scotland have confirmed whether and how much funding we will receive.

This additional funding means that we can continue work ahead of Transport Scotland confirmation.

People and Place Plan

The Partnership developed a Delivery Plan that establishes the medium to long term regional priorities for change, how funding will be prioritised, and how the Partnership will work with local authorities and delivery partners to provide a holistic approach to support broader transport outcomes. SEStran will continue to work with partners to review progress annually, learn lessons from robust monitoring and evaluation, and make changes as required.

The £1.2m reduction in revenue funding described earlier will impact partners' ability to drive behaviour change, but we are happy to report that all partners accepted the reduction and understood that it was completely out of our hands. They have worked with us to adjust their plans and timetables and we will still make measurable inroads in 2026/27.

Transport to Health

We are aiming to develop an Outline Business Case and, possibly, a Detailed Business Case in 2026/27. Planning is currently underway and, until finalised, timescales remain indicative. However the tender documents for consultancy support for the Outline Business Case have been drafted and the tender should be initiated late in Q1 of 2026/27.

Our aim is to move to implementation of preferred solutions in Q4 2026/27 or Q1 2027/28.

Regional Bus Strategy Delivery Plan

The Bus Programme Board meets for the first time in May 2026, and will take ownership of the Action Plan arising from the Bus Strategy.

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

6. Future Developments (*continued*)

Regional Bus Strategy Delivery Plan (*continued*)

The Board will agree the Programme Initiation Document which will outline the programme vision, objectives, benefits, scope, resources, cost, risks, issues, success criteria, measures etc.

It will prioritise the various actions to ensure that the programme quickly gains credibility by delivering quick wins, and then using their skills and experience to ensure that the programme schedule and timescales take full cognisance of dependencies and constraints so that actions are scheduled in an appropriate order.

Transport to Employment

Directly supporting the First Minister's key priority for government of reducing child poverty, the Transport to Employment programme is a targeted, outcomes-driven intervention designed to break the link between low income, poor transport access, and child poverty. It will increase household incomes for parents across the region by enabling access to fair, well paid employment and training, while simultaneously reducing the financial burden of travel that can make work unaffordable or unsustainable.

Rather than operating in isolation, the programme maximises the impact of the Regional Transport Strategy by accelerating and shaping its delivery through a child-poverty lens. Every improvement to public and sustainable transport - whether reduced journey times, simpler networks, or lower fares - strengthens access to work and training and reduces reliance on private car ownership. This programme ensures those benefits are intentionally directed towards parents and communities most in need.

A core ambition is to turn short-term funding into long-term change. The programme will build regional capacity, deepen partnerships with Local Employability Partnerships, local authorities, NHS boards, and operators, and pilot scalable interventions that can be sustained beyond 2026/27. A strong emphasis on monitoring, evaluation, and learning will ensure that successful approaches are evidenced, refined, and ready for future expansion.

SEStran has been awarded £2.5m and will work with local authorities and third sector partners to deliver on four strategic areas: supporting journeys to further education and training opportunities; improving transport access to large and strategically important workplaces, including healthcare sites; addressing the unique challenges of rural access to work and further education; and delivering targeted fare interventions that reduce travel costs for parents who currently fall outside existing concessionary schemes. Together, these actions will unlock opportunity, improve financial resilience, and support families to move sustainably out of child poverty.

Specifically, the programme aims to:

- Reduce current levels of child poverty by improving the availability of transport options for parents to access employment and training
- Reduce current levels of child poverty by increasing household incomes for families by reducing transport costs to employment and training
- Reduce current levels of child poverty by supporting access to NHS sites as one of the region's major employers and to support access to health services to reduce health inequalities that impact on ability to work
- Make best use of the one year funding to build capacity in future years to deliver further action to reduce child poverty

Workforce Mobility Project

The Workforce Mobility Project is part of the Edinburgh and South East Scotland City Region Deal. This innovative project is the first of its kind within a regional growth deal, spanning employability and transport themes to overcome travel barriers and acknowledge the fundamental role transport plays in supporting employment, training, and education. The project aims to work across sectors to improve communication, collaboration, data usage and long-term planning to improve the effectiveness of local and regional transport to support the ambitions of the Integrated Regional Employability Skills Programme, the Regional Prosperity Framework and the Regional Transport Strategy.

The Workforce Mobility Project Manager has moved to SEStran as Senior Partnership Manager and, in order to maintain consistency, will continue to provide leadership to the project.

The Concordat between SEStran and the Edinburgh and South East Scotland City Region Deal, agreed in 2024:

- Strengthens collaboration, joint working, co-production and engagement between the organisations
- Ensures a robust basis for integrated regional economic development, land-use and transport planning, provision and delivery
- Ensures South East Scotland fulfils its potential as Scotland's foremost region

The South East of Scotland Transport Partnership (SESTRAN)

Management Commentary (*continued*)

6. Future Developments (*continued*)

Workforce Mobility Project (*continued*)

This partnership approach has already paid dividends in the form of the successful Electric Vehicle Charging Infrastructure Procurement programme, and work to date on the Regional Transport Strategy Delivery Programme and the SEStran Programme.

In addition, SEStran has secured additional funding from Transport Scotland to undertake a national pilot whereby RTPs and local authorities throughout Scotland will have free access to project tools and consultancy.

7. Certification

It is considered appropriate to adopt a going concern basis for the preparation of the Annual Accounts, given ongoing Regional Transport Partnership grant funding provided by Scottish Ministers under Section 70 of the Transport (Scotland) Act 2001 and constituent councils obligation to meet the net expenses of the Partnership under Section 3 of the Transport (Scotland) Act 2005.

The South East of Scotland Transport Partnership (SESTRAN)

STATEMENT OF RESPONSIBILITIES FOR THE ANNUAL ACCOUNTS

The Partnership's Responsibilities

The Partnership is required:

- to make arrangements for the proper administration of its financial affairs and to secure that the proper officer has the responsibility for the administration of those affairs. In this Partnership, that officer is the Treasurer;
- to manage its affairs to secure economic, efficient and effective use of its resources and safeguard its assets;
- to ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014) and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003);
- to approve the Annual Accounts.

The Treasurer's Responsibilities

The Treasurer is responsible for the preparation of the Partnership's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing the Annual Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with legislation;
- complied with the Local Authority Accounting Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept adequate accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Annual Accounts give a true and fair view of the financial position of the Partnership at the reporting date and the transactions of the Partnership for the year ended 31st March 2026.

Treasurer: RICHARD LLOYD-BITHELL, CPFA _____ Date signed:

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2025/26

1. Scope of Responsibility

The Partnership is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards, that public money is safeguarded, properly accounted for and used economically, efficiently, effectively and ethically. The Partnership also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these overall responsibilities Elected Members and Senior Officers are responsible for implementing proper arrangements for the governance of the Partnership's affairs and for facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Partnership has approved and adopted a Local Code of Corporate Governance which is consistent with appropriate corporate governance principles and reflects the requirements of the "Delivering Good Governance in Local Government: Framework (2016)".

This Statement explains how the Partnership delivers good governance and reviews the effectiveness of these arrangements. It also includes a statement on internal financial control in accordance with proper practice.

The Partnership's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

2. The Partnership's Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Partnership is directed and controlled, and its activities through which it accounts to, engages with, and influences the community. It enables the Partnership to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Partnership's framework is underpinned by 6 core principles:

- Focusing on the purpose of the Partnership and on outcomes for the community, and creating and implementing a vision for the local area;
- Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- Promoting values for the Partnership and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- Developing the capacity and capability of members and officers to be effective;
- Engaging with local people and other stakeholders to ensure robust public accountability.

A significant part of the governance framework is the system of internal control which is based on an ongoing process designed to identify and manage the risks to the achievement of the Partnership's policies, aims and objectives. These are defined in the Partnership's Business Plan, which is updated annually. This enables the Partnership to manage its key risks efficiently, effectively, economically and ethically. The Partnership aims for compliance with Public Sector Equality Duties, including Scottish Specific Duties.

Within the overall control arrangements, the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision.

While the system of internal control is designed to manage risk at a reasonable level, it cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2025/26 (*continued*)

3. Determining the Partnership's purpose, its vision for the local area and intended outcomes for the Community

The Partnership's Vision Statement is for a South-East of Scotland, fully integrated transport system that will be efficient, connected and safe; create inclusive, prosperous and sustainable places to live, work and visit; be affordable and accessible to all, enabling people to be healthier; and delivering the region's contribution to net zero emissions targets.

The Business Plan outlines the priorities for the coming year, and the Annual Report is published as soon after the end of a financial year as possible and looks back at the project and strategy work undertaken in that year. Where applicable, key statistics and outcomes are provided in the Annual Report.

4. Review of Effectiveness

The Partnership has put in place arrangements, detailed in the Local Code, for monitoring each element of the framework and for providing evidence of compliance. A Principal Officer within the Partnership has been nominated to review the effectiveness of the Local Code.

The review of the effectiveness of its governance framework, including the system of internal financial control, is informed by:

- the work of Internal Audit on the adequacy and effectiveness of the Partnership's control environment, governance and risk management frameworks;
- the Partnership Director's Certificate of Assurance on internal control;
- the operation and monitoring of controls by Partnership managers;
- the External Auditors in their Annual Audit Letter and other reports; and
- other inspection agencies comments and reports.

Through the year Elected Members and Officers have responsibility for the development and maintenance of the governance environment. These review mechanisms include:

- **The Partnership Board**, which provides strategic leadership, determines policy aims and objectives and takes executive decisions not delegated to officers. It provides political accountability for the Partnership's performance;
- **The Performance and Audit Committee**, which demonstrates the Partnership's commitment to the principles of good governance, undertaking the core functions of an audit committee as identified in Audit Committees: Practice Guidance for Local Authorities and Policy (CIPFA);
- **The Internal Audit Service** of the City of Edinburgh Council provides an independent and objective assurance service to the Partnership, by completing one review in each financial year that is focused on the adequacy and effectiveness of controls established to manage a key risk of the Partnership. The Partnership seeks to ensure that Internal Audit arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit.
- **The External Auditor's Annual Audit Report** is considered by the Partnership Board and the Performance and Audit Committee, along with the output from other external audits and inspections;
- **The risk management system** requires that risks are regularly reviewed by the Performance and Audit Committee and Board. This ensures that actions are taken to effectively manage the Partnership's highest risks;

The South East of Scotland Transport Partnership (SESTRAN)

ANNUAL GOVERNANCE STATEMENT 2025/26 (*continued*)

4. Review of Effectiveness (*continued*)

- **The Partnership Secretary** is responsible to the Partnership for ensuring that agreed procedures are followed. The Partnership has a contractual arrangement with an external Legal Services provider to ensure all applicable statutes and regulations are complied with.
- The Partnership operates Anti-Bribery, Anti-Fraud and Corruption policies in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.
- **CIPFA Financial Management Code**
A requirement of the Annual Governance Statement is to disclose compliance with the CIPFA Financial Management (FM) Code and identify any outstanding areas for improvement or change. The Code is designed to support good practice and assist local government organisations in demonstrating their financial sustainability and resilience, by setting out expected standards of financial management.

The Partnership has undertaken an evaluation of compliance with the Financial Management Code.

The Partnership's financial management arrangements are assessed as being compliant with the FM Code.

5. SEStran Governance Scheme

The SEStran Governance Scheme forms a collection of the following key documents which enable lawful and transparent decision making:

- Standing Orders;
- Committee / Officer Powers;
- Financial Rules;
- Contract Standing Orders;
- Procurement Strategy; and
- Grant Standing Orders

The Scheme is subject to ongoing review, with any revisions subject to Board approval.

6. Internal Audit Opinion

The City of Edinburgh Council Internal Audit Service undertakes one annual review each year to provide assurance over the controls established by the Partnership to mitigate specific key risks. During 2025/26, the Internal Audit Service undertook a review to assess the adequacy of design and operating effectiveness of the key controls established for the monitoring and oversight arrangements to oversee governance and financial management of SEStran projects. The review provided reasonable assurance that SEStran has a generally sound system of governance, risk management and control in place to support the project management within SEStran. Several areas for improvement were identified within the project management processes to further strengthen transparency, financial stewardship, and regulatory compliance.

Due to the 2025/26 review being focussed on the key controls in place in relation to project management, an internal audit annual opinion is not given on the Partnership's overall governance arrangements. As the Partnership uses the financial systems of City of Edinburgh Council, assurance is placed on work undertaken by Internal Audit on the City of Edinburgh Council's financial systems.

7. Certification

In compliance with accounting practice, the Treasurer has provided the Partnership Director with a statement on the adequacy and effectiveness of the Partnership's internal financial control system for the year ended 31st March 2026. It is the Treasurer's opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Partnership's internal control system.

8. From this year's review, there is reasonable assurance that the Local Code of Corporate Governance is operating adequately, with overall compliance by the Partnership with its corporate governance arrangements.
9. The Partnership's governance arrangements and systems are confirmed as being operational and current at the date of signing of this Annual Governance Statement.

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT

1. Audit of Remuneration Report

Sections 5, 6, 7 and 8 on pages 15 and 16 in the Remuneration Report will be audited by the Partnership's external auditor. The other sections in the Remuneration Report will be reviewed by the external auditor to identify any material inconsistencies with the financial statements, or inconsistencies with knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

2. Remuneration Policy for Senior Employees

The Partnership Board determines remuneration for senior employees with reference to the level of responsibility of the post. The Partnership does not operate a Remuneration Committee. Annual inflationary increases are based on those agreed by the Scottish Joint Negotiating Committee (SJNC) for Local Authority services.

3. Remuneration for Senior Councillors

The Partnership does not provide any remuneration to senior councillors. Expenses paid to Board members are detailed in note 18 to the annual accounts.

4. Management of Remuneration Arrangements

The remuneration of the Partnership's employees is administered by the City of Edinburgh Council, as part of a service level agreement with the Partnership.

5. Officers Remuneration

The numbers of employees whose remuneration during the year exceeded £50,000 were as follows:

Remuneration Bands	2025/26	2024/25
£50,000 - £54,999	0	1
£55,000 - £59,999	3	2
£60,000 - £64,999	1	0
£65,000 - £69,999	0	1
£95,000 - £99,999	0	1
£105,000 - £109,999	1	0

6. Senior Employees Remuneration

The remuneration paid to the Partnership's senior employees is as follows:

Name and Post Title	Salary, Fees and Allowances £	Total Remuneration 2025/26 £	Total Remuneration 2024/25 £
Brian Butler - Partnership Director	105,282	105,282	98,712
	105,282	105,282	98,712

The senior employees detailed above have/ had responsibility for management of the Partnership to the extent that they have power to direct or control the major activities of the Partnership (including activities involving the expenditure of money), during the year to which the Remuneration Report relates, whether solely or collectively with other persons.

7. Senior Employees Pension Entitlement

The pension entitlement of the Partnership's senior employee(s) is as follows:

Name and Post Title	In-year pension contributions			Accrued pension benefits	
	2025/26 £	2024/25 £		As at 31 March 2026 £'000	Difference from 31 March 2025 £'000
Brian Butler - Partnership Director	28,075	25,923	Pension	7	2
			Lump Sum	0	0
	28,075	25,923			

The South East of Scotland Transport Partnership (SESTRAN)

REMUNERATION REPORT (*continued*)

7. Pension Entitlement

Pension benefits for the Partnership's employees are provided through the Local Government Pension Scheme (LGPS). For the Partnership's employees, the Local Government Pension Scheme (LGPS) became a career average pay scheme on 1 April 2015. Benefits built up to 31 March 2015 are protected and based on final salary. Accrued benefits from 1 April 2015 will be based on career average salary.

The scheme's normal retirement age for employees is linked to the state pension age (but with a minimum of age 65).

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contributions rates were set at 6% for all non-manual employees.

The tiers and members contributions rates for 2025-26 were as follows:

	Contribution rate
Whole Time Pay	
On earnings up to and including £27,500 (2024/2025 £27,000)	5.50%
On earnings above £27,501 and up to £33,600 (2024/2025 £27,000 to £33,000)	7.25%
On earnings above £33,601 and up to £46,100 (2024/2025 £33,000 to £45,300)	8.50%
On earnings above £46,101 and up to £61,400 (2024/2025 £45,300 to £60,400)	9.50%
On earnings above £61,401 (2024/2025 £60,400)	12.00%

From April 2015, when allocating contribution rates to members, pensionable pay means the actual pensionable pay, regardless of hours worked.

There is no automatic entitlement to a lump sum for members who joined the scheme post April 2009. Members may opt to give up (commute) pension for lump sum or bigger lump sum up to the limit set by the Finance Act 2004.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump sum; and without any adjustment for the effects of future inflation - assuming that the person left the related employment or service as at 31st March in the year to which the value relates.

8. Exit Packages

No exit packages were paid in both 2025/26 and 2024/25, including compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs.

9. Trade Union (Facility Time Publication Requirements) Regulations 2017

The Partnership is required to report information on facility time made available to employees who are trade union representatives. For 2025/26, no individual spent time during the year on trade union-related activities.

The South East of Scotland Transport Partnership (SESTRAN)

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on different reserves held by the Partnership, analysed into "Usable Reserves" (that is, those that can be applied to fund expenditure) and "Unusable Reserves". The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Partnership's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Partnership.

2024/25 - Previous Year Comparative

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2024	428	428	175	603
Movement in reserves during 2024/25				
Surplus or (Deficit) on Provision of Services	107	107	0	107
Other Comprehensive Expenditure and Income	0	0	(31)	(31)
Total Comprehensive Expenditure and Income	107	107	(31)	76
Adjustments between accounting basis & funding basis under regulations (Note 7)	34	34	(34)	0
Increase/Decrease in 2024/25	141	141	(65)	76
Balance at 31 March 2025 carried forward	569	569	110	679

2025/26 - Current Financial Year

	Usable Reserves		Unusable Reserves	Total Partnership Reserves
	General Fund Balance	Total Usable Reserves		
	£'000	£'000	£'000	£'000
Opening Balances at 1 April 2025	569	569	110	679
Movement in reserves during 2025/26				
Surplus or (Deficit) on Provision of Services	(147)	(147)	0	(147)
Other Comprehensive Expenditure and Income	0	0	(67)	(67)
Total Comprehensive Expenditure and Income	(147)	(147)	(67)	(214)
Adjustments between accounting basis & funding basis under regulations (Note 7)	(21)	(21)	21	0
Increase/Decrease in 2025/26	(168)	(168)	(46)	(214)
Balance at 31 March 2026 carried forward	401	401	64	465

The South East of Scotland Transport Partnership (SESTRAN)

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT 2025/26

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded by government grant, council requisitions and other income.

2024/25			2025/26			
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	Services	£'000	£'000	£'000
858	(5)	853	Core	845	0	845
5,213	(5,197)	16	Projects	6,801	(6,534)	267
6,071	(5,202)	869	Cost Of Services	7,646	(6,534)	1,112
165	(208)	(43)	Financing & Investment Income (Note 9)	206	(238)	(32)
0	(933)	(933)	Taxation and Non-Specific Grant Income (Note 10)	0	(933)	(933)
6,236	(6,343)	(107)	(Surplus) or Deficit on Provision of Services	7,852	(7,705)	147
			Other Comprehensive Income and Expenditure			
0	(4)	(4)	Change in Demographic Assumptions	16	0	16
0	(474)	(474)	Change in Financial Assumptions	0	(111)	(111)
466	0	466	Changes in the effect of the asset ceiling	190	0	190
0	(28)	(28)	Other Experience	25	0	25
71	0	71	Return on Assets excluding amounts included in net interest	0	(53)	(53)
537	(506)	31	Total Other Comprehensive Income and Expenditure	231	(164)	67
6,773	(6,849)	(76)	Total Comprehensive Income and Expenditure	8,083	(7,869)	214

The South East of Scotland Transport Partnership (SESTRAN)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Partnership. The net assets of the Partnership (assets less liabilities) are matched by the reserves held by the Partnership. Reserves are reported in two categories. The first category of reserves are usable reserves, that is, those reserves that the Partnership may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the Partnership is not able to use to provide services. This category of reserves include reserves that hold unrealised gains and losses (for example, the Capital Adjustment Account Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line "Adjustments between accounting basis and funding basis under regulations".

31 March 2025 £'000		Note	31 March 2026 £'000
152	Property, plant and equipment	11	105
0	Other long-term assets (Pensions)	24	0
152	Long term assets		105
2,212	Short-term debtors	13	3,182
1,327	Cash and cash equivalents	14	766
3,539	Current assets		3,948
0	Contributions and Grants Received in Advance		(138)
(3,001)	Short-term creditors	15	(3,444)
(3,001)	Current liabilities		(3,582)
(11)	Property Lease	22	(6)
(11)	Long-term liabilities		(6)
679	Net assets/ (liabilities)		465
	Financed by:		
569	Usable reserves	16	401
110	Unusable reserves	17	64
679	Total reserves		465

The unaudited Annual Accounts were issued on the 12th June 2026.

Treasurer: RICHARD LLOYD-BITHELL, CPFA

Date signed: _____

The South East of Scotland Transport Partnership (SESTRAN)

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Partnership during the reporting period. The statement shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flow arising from operating activities is a key indicator of the extent to which the operations of the Partnership are funded by way of government grant income, council requisitions and other receipts and contributions for services provided by the Partnership. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Partnership's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is, borrowing) to the Partnership.

31 March 2025 £'000	31 March 2025 £'000		31 March 2026 £'000	31 March 2026 £'000
		OPERATING ACTIVITIES		
(3,730)		Government Grants	(6,267)	
(176)		Constituent Council Requisitions	(190)	
(5)		Interest paid/ (received)	(44)	
(1,470)		Other receipts from operating activities	(186)	
	(5,381)	Cash inflows generated from operating activities		(6,687)
768		Cash paid to and on behalf of employees	829	
3,513		Cash paid to suppliers of goods and services	6,401	
	4,281	Cash outflows generated from operating activities		7,230
	(1,100)	Net cash flows from operating activities		543
		INVESTING ACTIVITIES		
1		Purchase of property, plant and equipment	18	
0		Proceeds from the sale of property, plant and equipment	0	
	1	Net cash flows from investing activities		18
		FINANCING ACTIVITIES		
0		Other receipts from financing activities	0	
	0	Net cash flows from financing activities		0
	(1,099)	Net (increase)/ decrease in cash and cash equivalents		561
	228	Cash and cash equivalents at the beginning of the reporting period		1,327
	1,327	Cash and cash equivalents at the end of the reporting period (Note 14)		766

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Accounting Policies

The Annual Accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) based Code of Practice in the United Kingdom (the Code). This is to ensure that the Annual Accounts "present a true and fair view" of the financial position and transactions of the Partnership.

The Annual Accounts have been prepared on an historic cost basis, modified by the valuation of pension assets and liabilities and property, plant and equipment, where appropriate.

1.2 Revenue Expenditure

Revenue expenditure is that which does not yield benefit beyond the year of account. In broad terms the revenue expenditure of the Partnership can be divided into two categories:

- employees;
- day-to-day operating expenses, includes costs incurred in respect of office accommodation transport, ICT, and project expenditure.

1.3 Revenue Income

Revenue income is that which does not yield benefit beyond the year of account. In broad terms the revenue income of the Partnership can be divided into the following categories:

- Council requisitions, which fund day to day expenditure;
- Scottish Government and other grant income awarded to fund specific projects;
- other income recoveries to fund specific projects.

1.4 Accruals of Expenditure and Income

The revenue account has been prepared on an accruals basis in accordance with the Code of Practice. Amounts estimated to be due to or from the Partnership, which are still outstanding at the year end, are included in the accounts. Government Grants have been accounted for on an accruals basis.

1.5 Leases

a) Right of Use Assets

Leased-in assets

Leases for assets are classified as Right of Use where the terms of the lease are consistent with International Financial Reporting Standard 16 (IFRS16). All other leases are classified as leases.

The Partnership has identified one leased-in property asset that falls within the definition of a finance lease.

The lease is recognised as a Right of Use asset on the Balance Sheet. Depreciation and an Interest expense is charged to the Comprehensive Income and Expenditure statement over the life of the lease.

Leased-out assets

The Partnership has not identified any leased-out assets that fall under the definition of a Right of Use Asset.

b) Leases

Leased-in assets

Rental payments are charged to the Comprehensive Income and Expenditure Statement on a straight line basis over the life of the lease.

Leased-out assets

The Partnership has not identified any assets that fall under the definition of a lease.

1.6 Overheads

The cost of service in the Comprehensive Income and Expenditure Statement includes overheads.

1.7 Charges to the Comprehensive Income and Expenditure Statement for use of non-current assets

Charges are made to the Comprehensive Income and Expenditure Statement for the use of non-current assets, through depreciation charges. The aggregate charge to individual services is determined on the basis of the assets used in each service.

1.8 Employee Benefits

Pensions

The Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by Lothian Pension Fund. The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.8 Employee Benefits *(continued)*

Pensions *(continued)*

The Annual Accounts have been prepared including pension costs, as determined under International Accounting Standard 19 – Employee Benefits (IAS 19). The cost of service in the Comprehensive Income and Expenditure Statement includes expenditure equivalent to the amount of retirement benefits the Partnership has committed to during the year. Pensions interest cost and the expected return on pension assets have been included in the “Surplus or Deficit on the Provision of Services” within the Comprehensive Income and Expenditure Statement.

The pension costs charged to the Comprehensive Income and Expenditure Statement in respect of employees are not equal to contributions paid to the funded scheme for employees. The amount by which pension costs under IAS19 are different from the contributions due under the pension scheme regulations are disclosed in the Movement in Reserves Statement for the General Fund.

Pension assets have been valued at bid value (purchase price), as required under IAS19.

Under pension regulations, contribution rates are set to meet 100% of the overall liabilities of the Fund.

Accruals of Holiday Leave

Cost of service includes a charge for annual leave to which employees are entitled, but have not taken as at the Balance Sheet date. The Partnership is not required to raise requisitions on constituent councils to cover the cost of accrued annual leave. These costs are therefore replaced by revenue provision in the Movement in Reserves Statement for the General Fund balance by way of an adjusting transaction with the Accumulated Absence Account.

1.9 Non Current Assets

Property, Plant and Equipment

Property, Plant and Equipment is categorised into the following classes:

- Vehicles, plant and equipment;
- Assets under construction.

Recognition

- Expenditure lower than £10,000 on individual assets is charged to revenue.

Measurement:

- Assets under construction are initially measured at historic cost, comprising their purchase price and any costs attributable to bringing the assets into use for their intended purpose.
- All other classes of property, plant and equipment are measured at fair value.

Vehicles, plant, furniture and equipment - fair value is the amount equivalent to depreciated historical cost for short life and/or low value assets. For assets with longer lives and/or high values, fair value is the amount that would be paid for the asset in its existing use or depreciated replacement cost for specialised /rarely sold assets where insufficient market based evidence exists.

- Surplus assets - fair value is the price that would be paid for an asset in its highest and best use.

Depreciation

- Depreciation is provided on all property, plant and equipment except assets under construction.
- The Partnership depreciates its non-current assets in the year of acquisition. The Partnership operates a five-year rolling revaluation programme for assets and provides for depreciation on a straight-line basis on the opening book value plus the cost of acquisitions and enhancements during the year over the remaining useful life of the asset.
- The charge to the Comprehensive Income and Expenditure Statement for the year is impacted by changes in asset value during the year arising from enhancements but not revaluation.

De-recognition

- An asset is de-recognised either on its disposal, or where no future economic benefits or service potential are expected from its use or disposal.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

1.9 Non Current Assets *(continued)*

Intangible Assets

Recognition

- Intangible assets are non-current assets that have no physical substance but are identifiable and controlled by the Partnership and it can be established that there is an economic benefit or service potential associated with the item which will flow to the Partnership. This expenditure is mainly in relation to the purchase of software licenses. Expenditure on the acquisition, creation or enhancement of intangible assets is capitalised on an accruals basis.

Measurement

- Intangible assets are initially measured at cost and included in the Balance Sheet at net historical cost.

Depreciation

- In most cases intangible assets are depreciated over the period of the licence. Where the period of the licence is deemed 'infinite' the software is depreciated based on an assessment of expected useful life.
- Depreciation is calculated using the straight-line basis on the opening book value over the remaining useful life of the asset.

1.10 Government Grants and Other Contributions

Revenue

Revenue grants and other contributions have been included in the financial statements on an accruals basis.

Where such funds remain unapplied at the Balance Sheet date, but approval has been given to carry these funds forward to the next financial year, the funds have been accrued.

Capital

Capital grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, except to the extent there are conditions attached to them that have not been met.

Where there are no conditions attached to capital grants and contributions, these funds are a reconciling item in the Movement in Reserves Statement by way of an adjusting transaction with the capital adjustment account where expenditure has been incurred and the unapplied capital grants account, where expenditure has not been incurred.

Where there are outstanding conditions attached to capital grants and contributions that have not been met by the Balance Sheet date, the grant or the contribution will be recognised as part of capital grants in advance. Once the condition has been met, the grant or contribution will be transferred from capital grants received in advance and recognised as income in the Comprehensive Income and Expenditure Statement.

1.11 Provisions

Provisions are made for liabilities of uncertain timing or amount that have been incurred.

The value of provisions is based upon the Partnership's obligations arising from past events, the probability that a transfer of economic benefit will take place, and a reasonable estimate of the obligation.

1.12 Reserves

Reserves held on the Balance Sheet are classified as either usable or unusable. Unusable reserves cannot be applied to fund expenditure. The Transport Scotland (2019) Act permits the Partnership to operate a usable reserve. In March 2020 a Reserves Policy was approved, permitting the Partnership to hold a general reserve with a minimum value of 5% of annual Core budget. Balances held in excess of 5% require to be reviewed annually in-line with risk/identified commitments. The Partnership also operates a General Fund reserve to manage slippage on approved Project budget delivery.

The Partnership operates the following unusable reserves:

a) Pension Reserve

The Partnership operates a Pensions Reserve Fund under the terms of the Local Government Pension Reserve Fund (Scotland) Regulations 2003. The Pension Reserve represents the net monies which the Partnership requires to meet its net pension liability, or is the value of the net pension asset, as calculated under IAS 19, Employee Benefits;

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES (*continued*)

1.12 Reserves (*continued*)

b) **Capital Adjustment Account**

The Capital Adjustment Account represents movement in the funding of assets arising either from capital resources such as capital receipts, or capital funded directly from revenue contributions;

c) **Accumulated Absences Account**

This represents the net monies which the Partnership requires to meet its short-term compensated absences for employees under IAS19.

1.13 Financial Instruments

Financial Assets

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Surplus funds held on behalf of the Partnership are managed by the City of Edinburgh Council under a formal management agreement in a pooled investment arrangement.

1.14 Cash and Cash Equivalents

Cash and cash equivalents include:

- Credit and debit funds held in banks

1.15 Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Partnership a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Partnership.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

1.16 Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenue and Customs.

1.17 Events After the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts are authorised for issue.

Two types of events can be identified:

- i) those that provide evidence of conditions that existed at the end of the reporting period - the Annual Accounts are adjusted to reflect such events;
- ii) those that are indicative of conditions that arose after the reporting period - the Annual Accounts are not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

1.18 Short Term Debtors and Short Term Creditors

The revenue transactions of the Partnership are recorded on an accruals basis which means that amounts due to or from the Partnership, but still outstanding at the year end, are included in the accounts. Where there was insufficient information available to provide actual figures, estimates have been included.

1.19 Changes in Accounting Policies and Estimates and Errors

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Partnership's financial position or performance.

Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.20 Going Concern

It is considered appropriate to adopt a going concern basis for the preparation of the Annual Accounts, given ongoing Regional Transport Partnership grant funding provided by Scottish Ministers under Section 70 of the Transport (Scotland) Act 2001 and constituent councils obligation to meet the net expenses of the Partnership under Section 3 of the Transport (Scotland) Act 2005.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year. The standards introduced by the 2026/27 Code where disclosures are required in the 2025/26 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets);
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);
- Annual improvements to IFRS accounting standards – Volume 11;
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

For the standards introduced by the 2026/27 Code, there is currently no information known on the potential impact that application of the new standards will have on the Partnership's financial statements.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Partnership has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- There is high degree of uncertainty about future levels of funding for local government. The Partnership has determined that this uncertainty is not yet sufficient to provide an indication that the Partnership's assets might be impaired as a result of a need to reduce service provision;
- Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling) - the actuary to Lothian Pension Fund has made no additional allowance for this June 2023 legal judgement due to:
 - > the ruling only applying to the above-named private sector pension scheme;
 - > the legal judgement was subject to appeal and in August 2024, the Court of Appeal dismissed the appeal, with the original ruling standing;
 - > it is unknown whether there would be any potential remedy required to public service schemes;
 - > it is unknown what the impact of any potential remedy would be;
 - > The Department of Works and Pensions were asked by pension bodies to look at pragmatic solutions where schemes are unable to evidence historic section 37 confirmation;
 - > The government responded on 5 June 2025 that it will introduce legislation to deal with issues arising from the June 2023 legal judgement;
 - > The government notes that the "legislation will give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards" and that "scheme obligations will otherwise be unaffected";
 - > Legislation permitting to this issue was included in the government's Pension Scheme Bill (Amendments) tabled on 1 September 2025.
- Guaranteed Minimum Pension (GMP) equalisation / indexation treatment (Lloyds' ruling). The actuary has allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation is included in the disclosure;
- GMP equalisation – historical transfers (Further Lloyd's ruling) - the actuary has advised that this further ruling is unlikely to have a significant impact on the pension obligations of a typical employer. The historic individual member data required to assess the impact is not readily available. As a result, no allowance has been made within the actuary's calculations at the Accounting Date;
- Local Government Pension Scheme (LGPS) - McCloud and Sargeant cases. The actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure;
- The Goodwin case judgement in respect of deemed discrimination in spousal transfer on death of a member may also result in the potential increasing of the pension liabilities. The actuary has previously carried out some approximate analysis across LGPS clients to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (*continued*)

- The remedy is still uncertain. It is estimated the potential impact of this to be very small for a typical Fund (c0.1% of obligations). The actuary does not believe it is necessary or appropriate to make an adjustment to account for this at the moment, given the level of additional work and fees that would be involved for the Employer (and indeed the highly approximate nature of applying an unknown remedy);
- The Walker and O'Brien court cases may impact on future LGPS benefits. The Partnership's actuary understands these are unlikely to be significant judgements in terms of impact on the pension obligations of a typical employer. As a result, and until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for the potential remedies for these judgements.

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Annual Accounts contains estimated figures that are based on assumptions made by the Partnership about the future or events that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the Partnership's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are:

4.1 Pension Asset/Liabilities

Uncertainties

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Partnership with expert advice about the assumptions to be applied.

Effect if Actual Result Differs from Assumptions

Formal actuarial valuations are carried out every three years, where each employer's assets and liabilities are calculated on a detailed basis, using individual member data for cash contribution setting purposes. For LGPS Funds, asset investment returns have been greater than expected compared to last year's accounting date assumption. The net discount rate assumption has increased by more than the increase in the CPI assumption, which has resulted in a gain on the balance sheet position. Using more up-to-date longevity assumption has also led to a small gain on the obligations.

Under accounting guidance, employers are expected to disclose the sensitivity of the valuation to key assumptions. The following table shows the sensitivity of the results to the changes in the assumptions used to measure the scheme liabilities, including approximate percentage changes and monetary values:

	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	47
1 year increase in member life expectancy	4%	102
0.1% increase in the Salary Increase Rate	0%	1
0.1% increase in the Pension Increase Rate (CPI)	2%	46

5. EVENTS AFTER THE BALANCE SHEET DATE

The unaudited Annual Accounts were authorised for issue on 12th June 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31st March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

There were no events which took place after 31st March 2026 which would materially affect the 2025/26 Annual Accounts.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

6. EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources by the Partnership in comparison with those resources consumed or earned by the Partnership in accordance with general accounting practice. It also shows how this expenditure is allocated for decision making purposes between service areas. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES) (see page 18).

Expenditure and Funding Analysis

	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000
2025/26			
Core	864	(19)	845
Projects	267	0	267
Net Cost of Services	1,131	(19)	1,112
Other Income and Expenditure			
Government grant	(743)	0	(743)
Constituent council requisitions	(190)	0	(190)
Interest paid/ (received)	(30)	0	(30)
Interest on the effect of the asset ceiling	0	64	64
Net pension interest cost/ (income)	0	(66)	(66)
(Surplus) or deficit on the provision of services	168	(21)	147
	Net Expenditure Chargeable to the General Fund	Adjustments	Net Expenditure in the CIES
	£'000	£'000	£'000
2024/25			
Core	820	33	853
Projects	16	0	16
Net Cost of Services	836	33	869
Other Income and Expenditure			
Government grant	(743)	0	(743)
Constituent council requisitions	(190)	0	(190)
Interest paid/ (received)	(44)	1	(43)
Interest on the effect of the asset ceiling	0	30	30
Net pension interest cost	0	(30)	(30)
(Surplus) or deficit on the provision of services	(141)	34	(107)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

6. EXPENDITURE AND FUNDING ANALYSIS *(continued)*

Expenditure and Funding Analysis *(continued)*

6.1 Adjustments from the General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts:

	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2025/26				
Core	41	(65)	5	(19)
Projects	0	0	0	0
Net Cost of Services	41	(65)	5	(19)
Other Income and Expenditure				
Interest on the effect of the asset ceiling	0	64	0	64
Net pension interest cost/ (received)	0	(66)	0	(66)
(Surplus) or deficit on the provision of services	41	(67)	5	(21)
	Adjusts. For Capital Purposes £'000	Net Change for Pensions Adjusts. £'000	Other Differences £'000	Total Statutory Adjusts. £'000
2024/25				
Core	52	(31)	12	33
Projects	0	0	0	0
Net Cost of Services	52	(31)	12	33
Other Income and Expenditure				
Interest paid/ (received)	1	0	0	1
Interest on the effect of the asset ceiling	0	30	0	30
Net pension interest cost	0	(30)	0	(30)
(Surplus) or deficit on the provision of services	53	(31)	12	34

- Adjustments for capital purposes include the removal of depreciation and impairment costs, and the inclusion of capital funded from current revenue.
- Net changes for pensions adjustment relates to the adjustment made for the removal of IAS19 Employee Benefits pension related expenditure and income with the pension contributions.
- Other differences relate to the reversal of the value of entitlement to accrued leave.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

6. EXPENDITURE AND FUNDING ANALYSIS (*continued*)

6.2 Segmental Analysis of Income included in Expenditure and Funding Analysis

	Core	Projects	Total
2025/26	£'000	£'000	£'000
Expenditure			
Employee expenses	687	138	825
Other service expenses	177	6,663	6,840
Total Expenditure	864	6,801	7,665
Income			
Government grants and other contributions	0	(6,534)	(6,534)
Total Income	0	(6,534)	(6,534)
Net Cost of Services	864	267	1,131

	Core	Projects	Total
2024/25	£'000	£'000	£'000
Expenditure			
Employee expenses	680	0	680
Other service expenses	145	5,213	5,358
Total Expenditure	825	5,213	6,038
Income			
Government grants and other contributions	(5)	(5,197)	(5,202)
Total Income	(5)	(5,197)	(5,202)
Net Cost of Services	820	16	836

6.3 Expenditure and Income Analysed by Nature

The Partnership's expenditure and income, as set out within the Comprehensive Income and Expenditure Statement is analysed as follows:

	31st March 2026	31st March 2025
	£'000	£'000
Expenditure		
Employee expenses	763	661
Other service expenses	6,821	5,352
Depreciation, amortisation and impairment	62	58
Interest payments	206	165
Total Expenditure	7,852	6,236
Income		
Interest and investment income	(238)	(208)
Income from constituent councils	(190)	(190)
Government grants and other contributions	(7,277)	(5,945)
Total Income	(7,705)	(6,343)
(Surplus) or Deficit on the Provision of Services	147	(107)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

2025/26	Usable Reserves	Unusable Reserves			
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the <u>Capital Adjustment Account</u>					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	55	(55)			(55)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(14)	14			14
Adjustments primarily involving the <u>Pensions Reserve</u>					
Reversal of items relating to retirement benefits debited or credited to the CIES	92			(92)	(92)
Employer's pension contributions and direct payments to pensioners payable in the year	(159)			159	159
Adjustments primarily involving the <u>Accumulated Absence Account</u>					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	5		(5)		(5)
Total Adjustments	(21)	(41)	(5)	67	21

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

(continued)

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

2024/25	Usable Reserves		Unusable Reserves		
	General Fund Balance	Capital Adjustment Account	Accumulated Absence Account	Pension Reserve	Movement in Unusable Reserve
	£'000	£'000	£'000	£'000	£'000
Adjustments primarily involving the Capital Adjustment Account					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Charges for depreciation and impairment of non-current assets	58	(58)			(58)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement (CIES)					
Contributions credited to the CIES that have been applied to capital financing	(5)	5			5
Adjustments primarily involving the Pensions Reserve					
Reversal of items relating to retirement benefits debited or credited to the CIES	111			(111)	(111)
Employer's pension contributions and direct payments to pensioners payable in the year	(142)			142	142
Adjustments primarily involving the Accumulated Absence Account					
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	12		(12)		(12)
Total Adjustments	34	(53)	(12)	31	(34)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

8. TRANSFERS TO/FROM EARMARKED RESERVES

In accordance with the provisions of the Transport Scotland (2019) Act, the Partnership has agreed a Reserves Policy. An earmarked balance will be established to meet slippage on project delivery from 2025/26 to 2026/27.

9. FINANCING AND INVESTMENT INCOME

	2025/26 £'000	2024/25 £'000
Interest income on pension asset/liability	(208)	(165)
Interest Paid/ (Received)	(30)	(43)
Pensions interest cost	142	135
Interest on the effect of the asset ceiling	64	30
	<hr/>	<hr/>
	(32)	(43)
	<hr/>	<hr/>

10. TAXATION AND NON SPECIFIC GRANT INCOME

	2025/26 £'000	2024/25 £'000
Government Grant	(743)	(743)
Constituent Council Requisitions	(190)	(190)
	<hr/>	<hr/>
	(933)	(933)
	<hr/>	<hr/>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

11. PROPERTY, PLANT AND EQUIPMENT

11.1 Movements on balances:

Movements in 2025/26	Property Lease (Right of Use Asset)	Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
Cost or Valuation				
At 1st April 2025	21	431	11	463
Additions	0	14	0	14
Transfers	0	2	(2)	0
De-Recognised Assets	0	(82)	(4)	(86)
At 31st March 2026	21	365	5	391
Accumulated Depreciation				
At 1st April 2025	(5)	(306)	0	(311)
Depreciation charge	(5)	(50)	0	(55)
De-Recognised Assets	0	80	0	80
At 31st March 2026	(10)	(276)	0	(286)
Net Book Value				
At 31st March 2026	11	89	5	105

Gross Book Value of £0.086m were de-recognised with associated depreciated of £0.080m. The assets had all reached the end of their useful operating life.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

11.2 Movements on balances:

Comparative Movements in 2024/25	Property Lease (Right of Use Asset)	RESTATED * Vehicles Plant and Equipment £'000	Assets Under Construction £'000	Total Property Plant and Equipment £'000
Cost or Valuation				
At 1st April 2024	0	839	11	850
Additions	21	0	0	21
De-Recognised Assets	0	(408)	0	(408)
At 31st March 2025	<u>21</u>	<u>431</u>	<u>11</u>	<u>463</u>
Accumulated Depreciation				
At 1st April 2024	0	(661)	0	(661)
Depreciation charge	(5)	(53)	0	(58)
De-Recognised Assets	0	408	0	408
At 31st March 2025	<u>(5)</u>	<u>(306)</u>	<u>0</u>	<u>(311)</u>
Net Book Value				
At 31st March 2025	<u><u>16</u></u>	<u><u>125</u></u>	<u><u>11</u></u>	<u><u>152</u></u>

11.3 Depreciation

The following useful lives have been used in the calculation of depreciation:

- Vehicles, plant and equipment: 4 - 5 years

The Partnership provides depreciation on its Property, Plant and Equipment from the month when it comes into use.

11.4 Capital Commitments

As at 31st March 2026, the Partnership had no capital commitments.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

12. FINANCIAL INSTRUMENTS

12.1 Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to government grants, do not give rise to financial instruments.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Partnership and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Partnership.

The Partnership's financial liabilities held during the year comprised:

- Trade payables for goods and services received.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Partnership that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Partnership.

The Partnership's financial assets held during the year comprised:

- Cash in hand;
- Cash and cash equivalents (Loans and receivables). The Partnership maintains its funds as part of the City of Edinburgh Council's group of bank accounts. Any cash balance is effectively lent to the Council, but is offset by expenditure undertaken by the City of Edinburgh Council on behalf of the Partnership. Interest is given on month end net indebtedness balances between the Council;
- Trade receivables for goods and services provided.

12.2 Financial Instruments - Balances

The financial liabilities disclosed in the Balance Sheet are analysed across the following categories

	Current	
	31st March 2026 £'000	31st March 2025 £'000
Trade creditors	1,589	1,253

The financial assets disclosed in the Balance Sheet are analysed across the following categories:

	Current	
	31st March 2026 £'000	31st March 2025 £'000
Loans and receivables	3,655	3,261
Trade debtors	190	57
	<hr/>	<hr/>
	3,845	3,318

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

12. FINANCIAL INSTRUMENTS *(continued)*

12.3 Financial Instruments - Fair Values

The financial assets represented by loans and receivables are carried in the Balance Sheet at amortised cost. Since all of the Partnership's loans and receivables mature within the next 12 months, the carrying amount has been assumed to approximate to fair value. The fair value of trade and other receivables is taken to be the invoiced or billed amount.

The fair values calculated are as follows:

Financial Liabilities	31 March 2026		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Trade creditors	1,589	1,589	1,253	1,253

Financial Assets	31 March 2026		31 March 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Loans and receivables	3,655	3,655	3,261	3,261
Trade debtors	190	190	57	57
	<u>3,845</u>	<u>3,845</u>	<u>3,318</u>	<u>3,318</u>

12.4 Income, Expenses, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	31st March 2026	31st March 2025
	£'000	£'000
Total expense and income in Surplus or Deficit on the Provision of Services:		
Interest Expense/ (Income)	(30)	(43)

13. DEBTORS

	31st March 2026	31st March 2025
	£'000	£'000
Debtors:		
Central government bodies	2,889	1,934
Other local authorities	184	109
HM Customs and Excise - VAT	0	30
Other entities and individuals	109	139
	<u>3,182</u>	<u>2,212</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

14. CASH AND CASH EQUIVALENTS

The balance of cash and cash equivalents is made up of the following elements:

	31st March 2026 £'000	31st March 2025 £'000
Bank account	766	1,327
	<hr/> 766	<hr/> 1,327

15. CREDITORS

	31st March 2026 £'000	31st March 2025 £'000
Central government bodies	0	(92)
Other local authorities	(2,361)	(2,032)
Other entities and individuals	(1,047)	(846)
Employee costs	(31)	(26)
Finance Lease obligations	(5)	(5)
	<hr/> (3,444)	<hr/> (3,001)

16. USABLE RESERVES

	31st March 2026 £'000	31st March 2025 £'000
16.1 Unallocated General Fund Reserve	243	221
16.2 Earmarked Balance - Project Budget slippage	158	348
	<hr/> 401	<hr/> 569

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

17. UNUSABLE RESERVES

	31st March 2026 £'000	31st March 2025 £'000
17.1 Capital Adjustment Account	95	136
17.2 Pension Reserve	0	0
17.3 Accumulated Absence Account	(31)	(26)
	64	110

17.1 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Partnership as finance for the costs of acquisition, construction and enhancement.

	2025/26 £'000	2024/25 £'000
Balance at 1st April	136	189
Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
• Charges for depreciation and impairment of non-current assets	(55)	(58)
Net written out amount of the cost of non-current assets consumed in year	81	131
Capital financing applied in the year:		
• Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	14	5
Balance at 31st March	95	136

17.2 Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Partnership accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Partnership makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Partnership has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

17. UNUSABLE RESERVES *(continued)*

17.2 Pension Reserve *(continued)*

	2025/26 £'000	2024/25 £'000
Balance at 1st April	0	0
Remeasurements of the net defined benefit liability	(67)	(31)
Reversals of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement.	(92)	(111)
Employer's pension contributions and direct payments to pensioners payable in the year.	159	142
Balance at 31st March	<u>0</u>	<u>0</u>

17.3 Accumulated Absence Account

The Accumulated Absence Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, for example, annual leave entitlement carried forward at 31st March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the Account.

	2025/26 £'000	2024/25 £'000
Balance at 1st April	(26)	(14)
Settlement or cancellation of accrual made at the end of the preceding year	26	14
Amounts accrued at the end of the current year	(31)	(26)
Balance at 31st March	<u>(31)</u>	<u>(26)</u>

18. MEMBERS EXPENSES

The Partnership paid the following amounts to members during the year:

	2025/26 £'000	2024/25 £'000
Expenses	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

19. EXTERNAL AUDIT COSTS

The Partnership has incurred the following costs in relation to the audit of the Annual Accounts by the Partnership's external auditors:

	2025/26	2024/25
	£'000	£'000
Fees payable in respect of:		
• external audit services carried out by the appointed auditor for the year	13	13
	13	13

20. GRANT INCOME

The Partnership credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

	2025/26	Re-stated 2024/25
	£'000	£'000
Credited to Taxation and Non Specific Grant Income		
Scottish Government - Revenue Grant	(743)	(743)
Constituent Council Requisitions (Note 21.3)	(190)	(190)
	(933)	(933)
Credited to Services		
Contribution - Fife Council	0	(1)
Contribution - Scotrail	(5)	(5)
Contribution - Scottish Borders Council	0	(1)
Contribution - Paths for All	0	(87)
Contribution - Stirling Communication Centre	(4)	(4)
Contribution - Scottish Government/ Transport Scotland	(6,479)	(5,084)
Contribution - SPT	(8)	0
Contribution - West Lothian Council	0	(1)
Contribution - HITRANS	(14)	0
Contribution - NESTRANS	(1)	(3)
Contribution - SPT	0	(5)
Contribution - SWESTRANS	(2)	(2)
Contribution - TACTRAN	(26)	(7)
Contribution - ZETRANS	(1)	(1)
	(6,540)	(5,201)

Agency income has been removed from the Grant Income credited to services note, in accordance with the Code of Practice.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

21. RELATED PARTIES

The Partnership is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Partnership or to be controlled or influenced by the Partnership. Disclosure of these transactions allows readers to assess the extent to which the Partnership might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Partnership.

21.1 Scottish Government

The Partnership receives grant-in-aid revenue funding through the Scottish Government. Grants received from the Scottish Government are set out in the subjective analysis in Note 20.

21.2 Members

Members of the Partnership have direct control over the Partnership's financial and operating policies. The total of members' expenses paid by the Partnership in 2025-26 is shown in Note 18.

21.3 Other Parties

During the year, the Partnership entered into the following transactions with related parties:

	2025/26 Expenditure	2025/26 Income	2025/26 Debtor/ (Creditor)	2024/25 Net Expenditure	2024/25 Debtor/ (Creditor)
	£'000	£'000	£'000	£'000	£'000
Revenue Expenditure - Support Services				0	
City of Edinburgh Council - Financial and Clerking Services	42	0	0	42	0
Falkirk Council - HR Services	1	0	(1)	0	0
Revenue Expenditure - Interest on Revenue Balances					
City of Edinburgh Council	0	(30)	0	(44)	0
Revenue Expenditure - Grants/ Other					
City of Edinburgh Council	1,533	2	(1,149)	825	(919)
Clackmannanshire Council	135	0	(101)	212	(181)
East Lothian Council	176	1	(151)	162	(104)
Falkirk Council	121	0	106	84	(19)
Fife Council	569	2	(571)	319	(267)
Midlothian Council	131	0	(93)	105	(89)
Scottish Borders Council	461	1	(183)	458	(198)
Scottish Government/Transport Scotland	20	(6,479)	2,889	(4,979)	1,826
West Lothian Council	90	0	(53)	150	(152)
	3,236	(6,473)	694	(2,664)	(103)

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

21. RELATED PARTIES *(continued)*

21.3 Other Parties *(continued)*

	2025/26 Income £'000	2025/26 Debtor/ (Creditor) £'000	2024/25 Net Expenditure £'000	2024/25 Debtor/ (Creditor) £'000
Revenue Income - Requisitions				
Clackmannanshire Council	(6)	0	(6)	0
East Lothian Council	(13)	0	(13)	0
City of Edinburgh Council	(61)	0	(61)	0
Falkirk Council	(19)	0	(19)	0
Fife Council	(44)	0	(44)	0
Midlothian Council	(11)	0	(11)	0
Scottish Borders Council	(14)	0	(14)	0
West Lothian Council	(22)	0	(22)	0
	(190)	0	(190)	0
Revenue Income - Agency Income				
Clackmannanshire Council	0	0	(2)	0
Fife Council	0	0	(151)	0
Falkirk Council	(59)	0	(52)	0
Midlothian Council	(15)	15	0	0
Scottish Borders Council	0	0	(59)	0
	(74)	15	(264)	0

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

22. LEASES

Right of Use Asset

From 1st April 2024, the Partnership adopted IFRS 16 to recognise right of use assets. As a consequence, the Partnership's lease of office space at Victoria Quay, Edinburgh is included on the Partnership's balance sheet. The Right-of-use asset has been calculated as if IFRS 16 had always applied, but recognised in the year of adoption and not by adjusting prior year figures.

From 8th February 2016 the Partnership took occupancy of office space in Victoria Quay, Edinburgh, under the terms of a Memorandum of Terms of Occupation with the Scottish Government.

The Partnership is permitted to occupy the space until ended by either party giving notice under the terms of the Agreement.

	2025/26 £'000	2024/25 £'000
Office Accommodation - Victoria Quay, Edinburgh		
• Not later than 1 year	5	5
• Over 1 year	6	11
	<u>11</u>	<u>16</u>

Leases

Leases that do not meet the definition of a Right of Use Asset are accounted for as a lease.

On 15th December 2023, the Partnership entered an Agreement with Brompton Bike Hire Limited for the provision of two eight-bay Brompton Hire bicycle docks and sixteen hire bicycles over a period of five years at a total cost of £113,564. The full value of £113,564 was paid in 2023/24. This Agreement does not meet the requirements to be recognised as a Right of Use Asset under IFRS16.

At 31st March 2026, the Partnership has a contract with Ricoh UK Ltd to lease an office printer and a contract with O2 to lease ten SIM cards. As the low value lease exemption has been applied, these contracts are not measured as Right of Use Assets under IFRS16.

The Partnership's expenditure on lease payments during 2025/26 was £26,000 (2024/25 £24,000).

The minimum lease payments due under non-cancellable leases in future years are:

	2025/26 £'000	2024/25 £'000
Hire Bicycles, Bicycle Docks, Office Printer, SIM cards.		
• Not later than 1 year	26	24
• Over 1 year	45	62
	<u>71</u>	<u>86</u>

23. DEFINED BENEFIT PENSION SCHEMES

23.1 Participation in Pension Schemes

As part of the terms and conditions of employment of its staff, the Partnership makes contributions towards the cost of post employment benefits. Although these benefits will not actually be payable until the employees retire, the Partnership has a commitment to make the payments that require to be disclosed at the time that employees earn their future entitlement. As explained in Accounting Policy 1.8, the Partnership is an admitted body to the Local Government Pension Scheme (LGPS) which is administered by the Lothian Pension Fund. The Partnership participates in:

- A funded defined benefit pension scheme. The Partnership and employees pay contributions into the fund, calculated at a level intended to balance the pension liabilities with investment assets.
- An arrangement for the award of discretionary post retirement benefits upon early retirement - this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. DEFINED BENEFIT PENSION SCHEMES *(continued)*

23.2 Transactions Relating to Post-employment Benefits

The Partnership recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made is based on the cash payable in the year, so the real cost of post employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2025/26 £000	2025/26 £000	2024/25 £000	2024/25 £000
Comprehensive Income and Expenditure Statement				
<i>Cost of services:</i>				
Service cost, comprising:				
Current service costs	94		111	
		94		111
<i>Financing and investment income:</i>				
Net interest expense/ (income)	(66)		(30)	
Interest on the effect of the asset ceiling	64		30	
		(2)		0
Total post employee benefit charged to the surplus on the provision of services		92		111
<i>Other post-employment benefits charges to the Comprehensive Income / Expenditure Statement</i>				
Remeasurement of the net defined liability, comprising:				
Return on pension assets, excluding the amount included in the net interest expense above	(53)		71	
Actuarial gains and (losses) arising on changes in financial assumptions	(111)		(474)	
Actuarial gains and (losses) arising on changes in demographic assumptions	16		(4)	
Restriction in Pension Asset	190		466	
Other experience	25		(28)	
		67		31
Total post-employment benefits charged to the Comprehensive Income / Expenditure Statement		159		142
Movement in Reserves Statement				
Reversal of net charges made to the surplus on the provision of services for post-employment benefits in accordance with the Code.		(67)		(31)
Actual amount charged against the General Fund Balance for pensions in the year:				
Employer's contributions payable to the scheme		159		142
		159		142

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. DEFINED BENEFIT PENSION SCHEMES *(continued)*

23.3 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligations in respect of its defined benefit plan is as follows:

	2025/26 £'000	2024/25 £'000
Fair value of employer assets	3,909	3,541
* Restriction in Pension Asset	(1,360)	(1,106)
Present value of funded liabilities	(2,549)	(2,435)
	<hr/>	<hr/>
Net asset/(liability) arising from defined benefit obligation	0	0

23.4 Reconciliation of the Movements in the Fair Value of Scheme Assets

	2025/26 £'000	2024/25 £'000
Opening fair value of scheme assets	3,541	3,363
Interest income	208	165
Remeasurement gain / (loss):		
Return on plan assets, excluding the amount included in the net interest expense	53	(71)
Contributions from employer	159	142
Contributions from employees into the scheme	42	36
Benefits paid	(94)	(94)
	<hr/>	<hr/>
Closing fair value of scheme assets	3,909	3,541

Reconciliation of Present Value of the Scheme Liabilities

	2025/26 £'000	2024/25 £'000
Present value of funded liabilities	(2,435)	(2,753)
Present value of unfunded liabilities	0	0
	<hr/>	<hr/>
Opening balance at 1st April	(2,435)	(2,753)
Current service cost	(94)	(111)
Interest cost	(142)	(135)
Contributions from employees into the scheme	(42)	(36)
Remeasurement gain / (loss):		
Change in demographic assumptions	(16)	4
Change in financial assumptions	111	474
Other experience	(25)	28
Benefits paid	94	94
	<hr/>	<hr/>
Closing balance at 31st March	(2,549)	(2,435)

* International Accounting Standard 19 imposes a limit on the maximum amount of surplus which can be recognised on the balance sheet. This adjustment reduced the value of the Pension Asset to the restricted amount for 2024/25 and 2025/26.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. DEFINED BENEFIT PENSION SCHEMES *(continued)*

23.5 Fair Value of Employer Assets

The following asset values are at bid value as required under IAS19.

	2025/26		2024/25	
	£'000	%	£'000	%
Equity Securities:				
Consumer *	492.9	12.6	448.7	12.7
Manufacturing *	470.2	12.0	426.3	12.0
Energy and Utilities *	200.3	5.1	198.1	5.6
Financial Institutions *	235.7	6.0	197.7	5.6
Health and Care *	264.5	6.8	223.9	6.3
Information technology *	137.2	3.5	109.5	3.1
Information technology	0.1	0.0	0.1	0.0
Other *	250.1	6.4	238.6	6.7
Sub-total Equity Securities	<u>2,051.0</u>		<u>1,842.9</u>	
Debt Securities:				
Corporate Bonds (investment grade) *	64.5	1.7	0.0	0.0
Corporate Bonds (non-investment grade)	53.5	1.4	0.0	0.0
UK Government *	729.9	18.7	617.5	17.4
Other *	0.0	0.0	58.1	1.6
Sub-total Debt Securities	<u>847.9</u>		<u>675.6</u>	
Private Equity:				
All *	4.7	0.1	5.4	0.2
All	3.5	0.1	600.4	17.0
Sub-total Private Equity	<u>8.2</u>		<u>605.8</u>	
Real Estate:				
UK Property *	21.9	0.6	0.0	0.0
UK Property	141.1	3.6	133.2	3.8
Overseas Property *	8.0	0.2	0.0	0.0
Overseas Property	10.6	0.3	0.0	0.0
Sub-total Real Estate	<u>181.6</u>		<u>133.2</u>	
Investment Funds and Unit Trusts:				
Equities *	6.7	0.2	6.2	0.2
Bonds *	7.1	0.2	51.6	1.5
Bonds	0.0	0.0	60.6	1.7
Infrastructure	625.3	16.0	13.7	0.4
Other *	0.0	0.0	29.3	0.8
Sub-total Investment Funds and Unit Trusts	<u>639.1</u>		<u>161.4</u>	
Derivatives:				
Foreign Exchange *	0.0	0.0	0.7	0.0
Sub-total Derivatives	<u>0.0</u>		<u>0.7</u>	
Cash and Cash Equivalents				
All *	181.2	4.6	121.4	3.4
Sub-total Cash and Cash Equivalents	<u>181.2</u>		<u>121.4</u>	
Total Fair Value of Employer Assets	<u><u>3,909.0</u></u>		<u><u>3,541.0</u></u>	

Scheme assets marked with an asterisk () have quoted prices in active markets.*

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. DEFINED BENEFIT PENSION SCHEMES *(continued)*

23.6 Basis for Estimating Assets and Liabilities

Hymans Robertson, the independent actuaries to Lothian Pension Fund, have advised that the financial assumptions used to calculate the components of the pension expense for the year ended 31 March 2026 were those from the beginning of the year (i.e. 31 March 2025) and have not been changed during the year.

The principal assumptions used by the actuary in the calculations are:

Investment returns

- Total returns for the period from 1 April 2025 to 31 March 2026 7.3%

	2025/26	2024/25
Mortality assumptions - longevity at 65 for current pensioners:		
• Males	22.3 years	21.9 years
• Females	23.0 years	22.8 years
Mortality assumptions - longevity at 65 for future pensioners:		
• Males	22.4 years	22.1 years
• Females	25.7 years	25.6 years
Pension increase rate	3.00%	2.75%
Salary increase rate (see below)	3.70%	3.45%
Discount rate	6.30%	5.80%

Estimation of defined benefit obligations is sensitive to the actuarial assumptions set out above. In order to quantify the impact of a change in the financial assumptions used, the Actuary has calculated and compared the value of the scheme liabilities as at 31 March 2026 on varying bases. The approach taken by the Actuary is consistent with that adopted to derive the IAS19 figures.

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, the Fund's Actuary has estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply at younger or older ages).

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

23. DEFINED BENEFIT PENSION SCHEMES *(continued)*

23.7 Analysis of projected amount to be charged to profit or loss for the period to 31 March 2027

	Assets £000	Obligations £000	Net (liability) / asset £000 % of pay	
Projected current service cost	0	(87)	(87)	(14.8%)
Total Service Cost	<u>0</u>	<u>(87)</u>	<u>(87)</u>	
Interest income on plan assets	249	0	249	
Interest cost on defined benefit obligation	0	(162)	(162)	
Interest on the effect of the asset ceiling	<u>0</u>	<u>0</u>	<u>(86)</u>	
Total Net Interest Cost	<u>249</u>	<u>(162)</u>	<u>1</u>	
Total included in Profit or Loss	<u><u>249</u></u>	<u><u>(249)</u></u>	<u><u>(86)</u></u>	

The Partnership's estimated contribution to Lothian Pension Fund for 2026/27 is £158,000.

24. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Partnership's activities expose it to a variety of financial risks:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Partnership;
- Liquidity risk - the possibility that the Partnership might not have funds available to meet its commitments to make payments;
- Re-financing risk - the possibility that the Partnership might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- Market risk - the possibility that financial loss might arise for the Partnership as a result of changes in such measures as interest rate movements;
- Price risk - the possibility that fluctuations in equity prices has a significant impact on the value of financial instruments held by the Partnership;
- Foreign exchange risk - the possibility that fluctuations in exchange rates could result in loss to the Partnership.

Treasury Management is carried out on the Partnership's behalf by the City of Edinburgh Council. The Council's overall risk management procedures focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. The Council complies with the CIPFA Prudential Code and has adopted the CIPFA Treasury Management in the Public Services Code of Practice.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Partnership's customers.

The Partnership's surplus funds not immediately required to meet expenditure commitments are held with the City of Edinburgh Council, and the Partnership receives interest on revenue balances on these monies. As the Partnership's surplus funds are held with the City of Edinburgh Council, the counterparty default exposure is effectively nil.

All Partnership invoices become due for payment on issue, and all trade debtors are overdue less than a month. Collateral - During the reporting period the Partnership held no collateral as security.

The South East of Scotland Transport Partnership (SESTRAN)

NOTES TO THE ANNUAL ACCOUNTS

24. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk

The Partnership is required by statute to provide a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. The arrangement with the City of Edinburgh Council ensures sufficient liquidity is available for the Partnership's day to day cash flow needs.

The Council manages the Partnership's liquidity position through the risk management procedures above as well as through cash flow management procedures required by the Code of Practice.

Refinancing risk

The Partnership has only a small level of surplus funds and no long term debt. The refinancing risk to the Partnership relates to managing the exposure to replacing financial instruments as they mature.

As such, the Partnership has no refinancing risk on its liabilities.

The Partnership has no investments with a maturity greater than one year.

Market risk

Interest rate risk

The Partnership is exposed to interest rate movements on its investments. Movements in interest rates have a complex impact on an organisation, depending on how variable and fixed interest rates move across differing financial instrument periods.

For instance, a rise in variable and fixed interest rates would have the following effects:

- borrowings at variable rates - the interest expense charged to the Surplus or Deficit on the Provision of Services will rise;
- borrowings at fixed rates - the fair value of the liabilities borrowings will fall;
- investments at variable rates - the interest income credited to the Surplus or Deficit on the Provision of Services will rise; and
- investments at fixed rates - the fair value of the assets will fall.

The Partnership currently has no borrowings. Changes in interest receivable on variable rate investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance.

However, all investments currently have a maturity of less than one year and the fair value has therefore been approximated by the outstanding principal.

The Partnership's surplus funds are held with the City of Edinburgh Council.

The Council's Treasury Management Team continue to monitor market and forecast interest rates during the year and adjust investment policies accordingly.

Price risk

The Partnership does not invest in equity shares.

Foreign Exchange risk

As at 31 March 2026, the Partnership had no financial assets subject to foreign exchange risk.

The Partnership has no financial liabilities denominated in foreign currencies.

25. AGENCY ARRANGEMENTS

Through a Partnership procurement framework contract, the Partnership makes payment for the supply of Bus Passenger Transport Information system ICT equipment and recovers cost from other bodies. The Partnership has assessed the nature of these transactions to determine if it is acting as a Principal or Agent. Under the Code an Agent is acting as an intermediary, whereas a Principal is acting on its own behalf. In 2025/26, the Partnership entered into agency arrangements with Falkirk Council and Midlothian Council. The total income received and expenditure incurred of £0.074m is not included in the Comprehensive Income and Expenditure Statement. In addition, the Partnership received a contribution in advance of £0.138m from Falkirk Council on 31st March 2026 which related to 2026/27 agency expenditure, which is not included in the Comprehensive Income and Expenditure Statement.

Budget 2026/27 - Update

1. Introduction

- 1.1 This report presents an update on the Partnership budget for 2026/27.
- 1.2 The Board approved the Partnership budget for 2026/27 on 13th March. This report sets out proposed revisions to that approved budget following confirmation of Scottish Government funding for 2026/27.
- 1.3 The proposed revised budget for 2026/27 will be presented to the Partnership Board for approval at its meeting on 19th June.

2. Main Report

Introduction

- 2.1 The Partnership approved the 2026/27 budget on 13th March. It was noted that Scottish Government funding under the People and Place Programme (PPP) had not been confirmed and that the approved budget assumed funding of £6.356m in line with the 2025/26 allocation.
- 2.2 PPP funding for 2026/27 has now been confirmed at £5.115m in 2026/27. This represents a £1.241m (20%) reduction on funding in 2025/26.
- 2.3 This report sets out proposed revisions to the budget to reflect confirmed PPP funding. It also includes proposed amendments to the core projects budget to reflect carry forward of project underspends from 2025/26; an updated delivery budget for the Transport to Employment Programme following further consideration by Partnership Officers; and additional funding of £0.200m for Workforce Mobility.

Core Budget Projects Expenditure

- 2.4 The Partnership Board previously approved project expenditure totalling £165,000 within the Core SEStran 2026/27 budget. This assumed a carry forward of £50,000 from the 2025/26 forecast project budget underspend.
- 2.5 As reported elsewhere on the agenda, the provisional 2025/26 project budget underspend is £97,000, representing an increase of £47,000 on the carry forward assumed in the approved 2026/27 budget. It is proposed to allocate this additional carry forward as follows: RTPI +£20,000; Sustainable Travel +£37,000; Projects Consultancy -£10,000. The provisional project budget underspend is subject to review by external audit, and no additional legal commitments will be entered into until the audit outcome is confirmed.

- 2.6** The unaudited accounts also include a project budget carry forward of £61,000 to meet future lease commitments for an electric bicycle scheme. The approved core budget has been increased to reflect lease commitments of £23,000 which will be incurred in 2026/27.
- 2.7** An analysis of the proposed updated Core budget for 2026/27 and indicative budgets for 2027/28 to 2028/29 is shown in Appendix 1.

People and Place Programme

- 2.8** The approved budget for 2026/27 assumed funding of £6.356m from Transport Scotland to progress the People and Place Programme (PPP). It was noted that final confirmation had yet to be received and that Transport Scotland had advised to plan for 2026/27 based on funding being at the same level as 2025/26.
- 2.9** Funding for 2026/27 has now been confirmed at £5.115m, which represents a £1.241m (20%) reduction on funding in 2025/26.
- 2.10** The proposed revised programme allocations for 2026/27 are shown in Appendix 2. Programme Delivery Plan updates will be reported to the Board by the Partnership Programme Manager.

Transport to Employment Programme

- 2.11** For 2026/27, as previously advised, Transport Scotland are providing additional funding to RTPs to support a Transport to Employment programme which aims to reduce child poverty. Total grant funding of £2.588m has now been confirmed and this is in line with budget planning.
- 2.12** When the Board approved the budget in March it was noted that the proposed delivery budget was in development and would be subject to change. Work has been ongoing to refine programme planning and Appendix 2 shows the updated delivery budget. Final allocations are currently being discussed with Local Authority partners, and any budget revisions will be reported through regular in-year reporting.

Workforce Mobility Project

- 2.13** Since the 2026/27 budget was approved, Transport Scotland has allocated an additional £0.200m to SEStran to partner Edinburgh & South East Scotland City Region Deal in the delivery of the Workforce Mobility Project and deliver a pilot rollout of the established Transport Planning services across the whole of Scotland. Full detail of this new project will be reported to the Board by the Senior Partnership Manager. This project is also included at Appendix 2.

3 Next Steps

- 3.1** Following review by the Performance and Audit Committee, the proposed revised budget for 2026/27, will be presented to the next Partnership Board meeting on 19th June, for approval.

4 Recommendations

4.1 It is recommended that the Partnership:

4.1.1 notes the proposed revised core budget of £1,053,000 for 2026/27, as detailed at Appendix 1;

4.1.2 notes the proposed People and Place; Transport to Employment; and Workforce Mobility Project budgets for 2026/27, as detailed in Appendix 2;

4.1.3 notes that the proposed revised budget for 2026/27 will be referred to the Partnership Board meeting on 19th June for final decision.

5 Background Reading/External References

5.1 [Revenue Budget 2026-27 and Financial Plan 2027/28 to 2028/29](#) – report to the South East of Scotland Transport Partnership 13th March 2026

Richard Lloyd-Bithell

28th May 2026

Appendices

Appendix 1 – Proposed Core Budget 2026/27 and Indicative Budgets 2027/28 to 2028/29

Appendix 2 – People and Place, Transport to Employment and Workforce Mobility - Proposed Budgets 2026/27

Contact

john.connarty@edinburgh.gov.uk

Policy Implications	There are no direct policy implications arising as a result of this report.
Financial Implications	There are no direct financial implications arising.
Equalities Implications	There are no direct equality implications arising.
Climate Change Implications	There are no direct climate change implications arising.

Revised Core Budget 2026/27 and Indicative Financial Plan 2027/28 and 2028/29

	Approved Budget 2025/26	Proposed Budget 2026/27	Indicative Budget 2027/28	Indicative Budget 2028/29
	£0	£0	£0	£0
Employee Costs				
Salaries	564	640	668	691
National Insurance	76	86	91	94
Pension Fund	151	171	178	184
Recharges	(104)	(255)	(270)	(282)
Training, Conferences & Recruitment	10	10	10	10
	697	652	677	697
Premises Costs	21	25	25	25
Transport	5	5	5	5
Supplies and Services				
Communications & Computing	48	48	48	48
Printing & Office Supplies	7	7	7	7
Insurance	7	9	9	9
Equipment, Materials & Miscellaneous	4	4	4	4
	66	68	68	68
Governance & Support Services				
Finance, Legal Services & HR	38	38	38	38
Clerks Fees	12	12	12	12
External Audit Fees	12	12	12	12
Members Allowances and Expenses	1	1	1	1
Contingency Provision		30	40	50
	63	93	103	113
Interest	0	(25)	(25)	(25)
Core Projects				
Regional Bus Action Plan Delivery		100	75	75
Real Time Passenger Information (RTPI)		20		
Sustainable Travel		47	10	10
Projects Consultancy		20	20	20
Communications and Marketing		25	10	10
Electric Bike Scheme		23	23	16
2025/26 Projects	81			
	81	235	138	131
Total Gross Expenditure	933	1,053	991	1,014
Funding				
Scottish Government Grant	(743)	(743)	(743)	(743)
Council Requisitions	(190)	(190)	(200)	(210)
Efficiency Programme			(25)	(45)
Projects Reserve - Electric Bike Lease		(23)	(23)	(16)
Project Budget Underspend 25/26		(97)		
Total Funding	(933)	(1,053)	(991)	(1,014)

Appendix 2

People and Place Programme - Revised Budget 2026/27

	Proposed Budget 2026/27	
Core staff recharge	£154,986	
Project Support Officer	£24,682	
Project Officer	£48,332	
RTPI – System Maintenance	£23,500	
Thistle Assistance	£40,000	
Regional Project Delivery	£86,714	
Local Authority Delivery Support	£484,922	*
Regional Priority Investment Fund	£2,054,576	*
Access to Cycles and Cycle Storage	£1,871,947	*
Community Grant Fund	£364,579	
RTPI - System Maintenance contributions	(£12,000)	
Thistle Assistance - RTP contributions	(£27,500)	
Scottish Government Grant	(£5,114,738)	
	£0	

* Two local authority awards are provisional at this stage.

Transport to Employment Programme - Revised Budget 2026/27

	Proposed Budget 2026/27	
Core staff recharge	£100,014	
Project Officer x2	£96,664	
Capacity and Capability	£300,209	
Working with School Communities	£188,676	
Transport to Large Workplaces	£755,700	
Rural Transport to Work and Further Education	£572,000	
Local Employability Partnership (LEP) Delivery Support	£206,000	
Transport to Healthcare Pilot Projects	£320,000	
Contingency	£48,477	
Scottish Government Grant	(£2,587,740)	
	£0	

Workforce Mobility Project - Revised Budget 2026/27

	Proposed Budget 2026/27	
Workforce Mobility Project	£200,000	
Scottish Government Grant	(£200,000)	
Future Development and Programme Management	£0	

Internal Audit Assurance

1. INTRODUCTION

- 1.1 The City of Edinburgh Council Internal Audit (IA) team performs one review annually for SEStran, to provide assurance over the controls established to mitigate key risks in a specific area.
- 1.2 The purpose of this paper is to report on the outcomes of the 2025/26 SEStran IA review of Project Management, to provide an update on progress with the completion of actions agreed as part of previous audits, and to request the Committee's input on potential areas for inclusion in the planned 2026/27 audit.

2. BACKGROUND, SCOPE, AND OUTCOMES OF 2025/26 IA REVIEW – PROJECT MANAGEMENT

Audit Background

- 2.1 The audit reviewed the internal processes and controls surrounding project management at SEStran. The objective was to assess the adequacy and effectiveness of the existing control environment and to identify areas for improvement to support sound decision-making and governance. This work aligned with SEStran's November 2025 risk register, particularly in relation to Governance, Operational (project management), Financial, Reputational, External (supplier and partnership relationships), and Legal and Regulatory risks.

Audit Scope

- 2.2 The objective of the review was to assess the adequacy of design and operating effectiveness of the key controls established for the monitoring and oversight arrangements to oversee governance and financial management of SEStran projects.

Audit Outcomes

- 2.3 The overall assessment of the review was Reasonable Assurance, meaning there is a generally sound system of governance, risk management, and control in place to support project management within SEStran. Several areas for improvement were identified within the project management processes to further strengthen transparency, financial stewardship, and regulatory compliance.
- 2.4 Areas for improvement identified in the review include:
 - i) strengthening risk management for the organisation through the consideration and inclusion of fraud and Serious Organised Crime risks within corporate and project level risk registers, use of SMART actions, and introducing risk management training
 - ii) improving project management arrangements through development of a documented framework, clearer governance structures, a standardised approach

to stakeholder engagement and communication, as well as formal monitoring of project management training

- iii) ensuring consistent application of impact assessments and Data Protection Impact Assessments, use of standardised project initiation documentation, and improved document management
- iv) improving project governance and monitoring through consistent updating of core project documentation, improved change control documentation, alignment of milestones across planning documentation, and comprehensive RAID logs
- v) strengthening project governance and oversight through improved action tracking, enhanced document control, implementation of a lessons-learned log, a benefits realisation plan, and a clearer methodology for financial forecasting
- vi) enhancing contract management arrangements through clearer contract documentation, defined hierarchy of contract documents, as well as a structured monitoring framework for contractor performance.

- 2.5 Full details of each audit finding and the agreed management actions and timescales to address the risks associated with each, is provided in the detailed audit report at Appendix 1.
- 2.6 Several areas of effective practice were also identified as part of this review and are included in the Executive Summary section of the detailed report.

3. PROGRESS WITH ACTIONS RAISED IN PREVIOUS AUDITS

- 3.1. Management has also addressed 11 of 12 actions from the People and Place Funding Proposals completed in May 2025.
- 3.2. The remaining action is not yet due and relates to a review of the Anti-Bribery Procedure and Anti-Fraud and Corruption Policy.
- 3.3. A status update on this action is provided in Appendix 2.

4. 2026/27 INTERNAL AUDIT REVIEW

- 4.1. The City of Edinburgh Council's 2026/27 IA annual plan was approved by the Council's Governance, Risk, and Best Value Committee on 26 March 2026. The plan includes one IA review for SEStran, which is consistent with the level of assurance provided in prior years.
- 4.2. The most significant areas of risk and potential areas for SEStran 2026/27 annual review will be discussed with the management team by November 2026, and the review will be completed between January and April 2027.

5. RECOMMENDATIONS

- 5.1. The Committee is requested to:
 - note the outcomes of the 2025/26 IA review of Project Management including IA findings and recommendations and agreed management actions and implementation dates

- note the progress with completion of management actions from previous audits
- provide input on key risks or any areas of concern that the Committee would like IA to consider including in the 2026/27 IA review.

Appendix 1: Internal Audit Report – Project Management

Appendix 2: Progress with outstanding management actions as at 5 June 2026

Laura Calder

Head of Internal Audit, City of Edinburgh Council

E-mail: laura.calder@edinburgh.gov.uk

Key contact:

Colin McCurley, Principal Audit Manager, City of Edinburgh Council

E-mail: colin.mccurley@edinburgh.gov.uk

Policy Implications	None
Financial Implications	SEStran is charged an annual fee for provision of the annual IA assurance review. The fee for 2025/26 is £5,000, which remains consistent with the 2024/25 fee applied. Fees will be reviewed in 2026 and where required a revised fee will be agreed.
Equalities Implications	None
Climate Change Implications	None

Appendix 2 – Progress with outstanding management actions as at 5 June 2026

2024/25 Internal Audit OO2402 People and Place Funding Proposals: Implementation Status

No.	Recommendation	Agreed Management Action	Due Date	Status	Management Update
3.3	The Anti-Bribery Procedure and Anti-Fraud and Corruption Policy should be reviewed and updated, at a regular frequency to ensure continued relevance and compliance.	The Anti-Bribery Procedure and Anti-Fraud and Corruption Policy were reviewed in 2023 but required no changes. Unfortunately, this was not included in the report to P&A Committee. These policies will be included in the next policy review cycle.	31/07/2027	In Progress	The policies are currently being reviewed and updated by the partnership's legal adviser and a report will be presented to the September 26 Performance and Audit Committee.



South East of Scotland Transport Partnership (SEStran) Internal Audit Report Project Management

1 May 2026

OO2501

Overall Assessment	Reasonable Assurance
---------------------------	-----------------------------

Contents

Executive Summary 3

Background and Scope 5

Findings and Management Actions 6

Appendix 1 – Control Assessment and Assurance Definitions19

Appendix 2 – Areas of Audit Focus and Control Objectives20

This Internal Audit review is conducted for the SEStran under the auspices of the 2025/26 internal audit plan. The review is designed to help the SEStran assess and refine its internal control environment. It is not designed or intended to be suitable for any other purpose and should not be relied upon for any other purpose. The City of Edinburgh Council accepts no responsibility for any such reliance and disclaims all liability in relation thereto.

The internal audit work and reporting has been performed in line with the requirements of the Global Internal Audit Standards (UK Public Sector) and as a result is not designed or intended to comply with any other auditing standards.

Although there are specific recommendations included in this report to strengthen internal control, it is management’s responsibility to design, implement and maintain an effective control framework, and for the prevention and detection of irregularities and fraud. This is an essential part of the efficient management of the SEStran. Communication of the issues and weaknesses arising from this audit does not absolve management of this responsibility. High and Critical risk findings will be raised with senior management as appropriate

Executive Summary

Overall Assessment

Reasonable Assurance

Engagement conclusion and summary of findings

There is a generally sound system of governance, risk management and control in place to support the project management within SEStran. Several areas for improvement were identified within the project management processes to further strengthen transparency, financial stewardship, and regulatory compliance:

- risk management for the organisation as a whole should be strengthened through the consideration and inclusion of fraud and Serious Organised Crime risks within corporate and project level risk registers, use of SMART actions, and introducing risk management training
- project management arrangements should be improved through the development of a documented framework, clearer governance structures, a standardised approach to stakeholder engagement and communication, as well as formal monitoring of project management training
- consistent application of impact assessments and Data Protection Impact Assessments, standardised project initiation documentation, and improved document management is recommended
- project governance and monitoring should be improved through consistent updating of core project documentation, improved change control

documentation, alignment of milestones across planning documentation, and comprehensive RAID logs





- project governance and oversight could be strengthened through improved action tracking, enhanced document control, the implementation of a lessons-learned log, a benefits realisation plan, and a clearer methodology for financial forecasting
- contract management arrangements should be strengthened through clearer contract documentation, defined hierarchy of contract documents, as well as a structured monitoring framework for contractor performance.

Areas of effective practice

- project risks are identified, recorded and actively managed through SEStran Corporate and Project risk registers, with regular review to ensure mitigating actions remain appropriate and effective
- clear project plans have been developed that set out key deliverables, timeframes, and ownership to support structured project delivery
- progress reports are regularly provided to governance forums, which include clear RAG status reporting for programme delivery and finance performance
- post-implementation reviews are undertaken to reflect on lessons learned.

Audit Assessment

Audit Area	Control Design	Control Operation	Findings	Priority Rating
1. Risk management			Finding 1 – Risk Management	Medium Priority
2. Information Governance			Finding 3 – Project Initiation	Medium Priority
3. Project Governance			Finding 2 – Procedures and Training	Medium Priority
			Finding 4 – Change Control	Medium Priority

Audit Area	Control Design	Control Operation	Findings	Priority Rating
			Finding 5 – Governance and Oversight	Medium Priority
4. Project Skills and Experience			See Finding 2	N/A
5. Contract and Supplier Management			Finding 6 – Contract and Supplier Management	Medium Priority

[See Appendix 1 for Control Assessment and Assurance Definitions](#)

Background and Scope

Effective project management is essential to ensure that SEStran can deliver on its pledges and strategic objectives whilst maintaining and improving the service it delivers at a lower cost and with fewer resources. There are currently 14 projects underway with a total budget of £470k, with projects ranging in budget between £10k and £71k.

At the beginning of each financial year, SEStran's Annual Business Plan is approved by the Partnership Board. This plan sets out the projects to be delivered during the year together with associated budgets, project scope, objectives and key milestones. The Partnership's Core and Projects budgets for 2025/26 were approved by the Partnership Board on 14 March 2025.

The key stages in the project management process include:

- the Annual Business Plan, which outlines the projects to be delivered during the financial year and the associated budgets, is approved by the Partnership Board
- a Project Outline Document (POD) is prepared to provide high-level summary of the project, and is submitted for approval by the Partnership Director
- a Project Initiation Document (PID) is developed, setting out the detailed project scope, objectives, and resource requirements. The PID is also approved by the Partnership Director
- during the implementation phase, project status reports are provided to the Project and Strategy Delivery Oversight Subgroup (PaSDOS), the Performance and Audit Committee (P&A), and the Partnership Board
- following project completion, a lessons learned exercise is performed, with the results provided to the PaSDOS, P&A, and the Partnership Board.

Oversight and governance

Project governance within SEStran is supported through a number of oversight arrangements and reporting mechanisms. The Project Teams team meets fortnightly to review progress, risks, and budget matters, with the Partnership Director attending monthly. PaSDOS meets quarterly to review to review project progress and performance through Project and Strategy performance reports. The minutes of PaSDOS meetings and performance reports are reported to the P&A for noting, with the Partnership Board receiving P&A committee minutes and associated reports to provide strategic oversight.

Scope

The objective of this review was to assess the adequacy of design and operating effectiveness of the key controls established for the monitoring and oversight arrangements to oversee governance and financial management of SEStran projects.

Alignment to SEStran Risks

- Project Management
- Financial
- Reputation
- Third Party Service Level Agreements
- Contract Management
- Statutory Duties.

Reporting Date

Testing was undertaken between 19 January 2026 and 23 February 2026.

Audit work concluded on 6 March 2026, and the findings and opinion are based on the conclusion of work as at that date.

Findings and Management Actions

Finding 1 – Risk Management

Finding Rating	Medium Priority
----------------	-----------------

Fraud and Serious Organisation Crime (SOC) risks in risk registers

Fraud and SOC risks should be formally identified, assessed, and recorded within the Corporate risk register and the Project risk register to ensure they are systematically monitored and mitigated, and to support compliance with relevant legislative requirements. However, fraud and SOC risks are not included within either risk register, and there is limited evidence that these risks are being effectively considered and managed as required.

Inclusion of fraud and SOC risks within risk registers would support SEStran's ability to evidence preparedness and effective oversight in relation to the corporate offence of 'failure to prevent fraud' under the [Economic Crime and Corporate Transparency Act \(ECCTA\) 2023](#).

Risk management actions

Risk management actions should be defined in line with SMART principles (Specific, Measurable, Achievable, Relevant, and Time-bound), enabling effective monitoring, accountability, and timely risk mitigation. The SEStran project risk register is well-designed and supports effective risk management, with appropriate use of gross and net risk scoring, clear ownership, and structured reporting of inherent and residual risk exposure. However, while mitigating actions are recorded, several risk actions were not consistently SMART, as they lacked clear deliverables, measurable outcomes, defined timescales, and recorded completion dates.

Risk management training programme

A formal risk management training programme supports officers to have a consistent understanding and application of risk management principles. There is no formal risk management training programme in place, but instead officers risk awareness and capabilities are supported through informal on-the-job coaching and management guidance.

Risks, Assumptions, Issues, and Dependencies (RAID) log

A RAID log helps ensure that project risks, assumptions, issues, and dependencies are consistently captured, monitored, and reported. While project risks and issues are documented and reported through established governance arrangements, project assumptions and dependencies are not. Although assumptions and dependencies are identified during the preparation of Project Initiation Documents, there is limited evidence to demonstrate that they are being effectively monitored and managed, as they are not formally recorded or tracked within RAID logs.

Risks

- **Project Management** – incomplete identification and monitoring of key risks, together with unclear mitigation actions reduce management's ability to proactively oversee and manage project risks
- **Reputation** – absence of formal capture of fraud and serious organised crime threats within risk registers reduces visibility of these issues and weakens organisational assurance and stakeholder confidence
- **Financial** - inadequate fraud risk identification and inconsistent risk management practises increase the exposure to financial loss and ineffective control over project resources.

Recommendations and Management Actions: Risk Management

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
1.1	Fraud and Serious Organised Crime (SOC) risks should be formally identified and documented within the risk registers to ensure these risks are appropriately assessed, monitored, and managed. In addition, the failure to prevent fraud requirements of the Economic Crime and Corporate Transparency Act (ECCTA) 2023 , should be reviewed to ensure there is full compliance.	Recommendation accepted. Risks relating to fraud and organised crime will be reviewed and added to the Risk Log. As part of this we will ensure that there is full compliance with ECCTA and will include any relevant risks in the log.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	30/06/2026
1.2	Risk mitigation actions recorded in the risk registers should be consistently defined using SMART principles, including clear deliverables, measurable outcomes, and target completion dates.	Recommendation accepted. The project risk register will be revised for 2026/27 to reflect the move to a programmatic Business Plan. As part of this all risks actions will be reviewed and updated to ensure they are SMART.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	30/06/2026
1.3	A structured risk management training programme should be developed and delivered to relevant officers to support consistent understanding and application of risk management within project management processes, including project-specific risk identification, assessment, monitoring and other key risk management considerations.	Recommendation accepted. We will formalise programme and project management methodologies in 2026. Training in the identification and management of risks will be included, and staff will be trained on all aspects of the methodology.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027
1.4	Risks, Assumptions, Issues, Dependencies (RAID) logs should be enhanced by including project assumptions and dependencies.	Recommendation accepted. We will formalise programme and project management methodologies in 2026. This will include creation and maintenance of a RAID log.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027

Finding 2 – Project Management Procedures and Training

Finding
Rating

Medium
Priority

Project management and governance framework

A documented project management framework allows for a consistent and effective approach to project delivery across the full project lifecycle. It should clearly set out roles and responsibilities, decision-making authority, approval hierarchies, and escalation routes, and include proportionate governance arrangements aligned to project size, complexity, and risk.

There is no documented project management framework in place. While project management work is generally effective, the arrangements are largely informal.

Stakeholder engagement

A standardised approach to stakeholder engagement supports determining when project-specific stakeholder engagement and communication plans are required, including formal assessment of communication risk, and clear documentation of rationale for the approach adopted.

SEStran primarily relies on an annual corporate communication plan to guide engagement activity, which includes the objectives, strategy, and methods of communication for the organisation as a whole. However, there is no standardised methodology to determine when a project-specific stakeholder engagement and communication plan is required, and what it should include.

This creates an officer-driven approach that lacks transparency and consistency.

Training records and monitoring arrangements

A formal training records and monitoring process helps to ensure that training activities are consistently recorded, tracked, and reviewed to support compliance and workforce capability. Currently, there are no centrally-held training records or attendance logs to evidence completion of project management training by relevant officers.

Risks

- **Project Management** – the absence of a documented project management framework and clearly-defined governance arrangements could lead to inconsistent project oversight, decision making, and accountability
- **Reputation** – non-standardised stakeholder engagement and communication planning reduces transparency, and potentially undermines stakeholder confidence in project management and delivery
- **Financial** – a lack of structured project governance processes and training oversight could weaken control over project delivery and increase the risk of inefficiencies.

Recommendations and Management Actions: Project Management Procedures and Training

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
2.1	<p>A project management framework should be developed and formally approved by senior management to provide a consistent approach. In particular, it should include details of:</p> <ul style="list-style-type: none"> • oversight arrangements, including key committees and their responsibilities • roles and responsibilities of officers • approval hierarchies, and decision-making authorities 	<p>Recommendation accepted.</p> <p>We will formalise programme and project management methodologies in 2026.</p> <p>This will cover all aspects of the recommendation.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
	<ul style="list-style-type: none"> escalation routes stage-gate review arrangements project change control and change log rolling action log for PaSDOS meeting minutes of PMO meeting centralised lessons learned log benefit realisation plan financial forecasting methodology <p>a statement on proportionate governance arrangements aligned to project size, complexity, and risk.</p>				
2.2	A standard documented methodology and guidance should be introduced to determine when project-specific stakeholder engagement and communication plans are required, supported by clear guidance and criteria for assessing stakeholder impact and communication risks.	<p>Recommendation accepted.</p> <p>We will formalise programme and project management methodologies in 2026. There will be an overarching comms strategy, with a corporate comms plan and individual comms plans for every programme where these are needed.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/08/2026
2.3	A formal process for recording and monitoring training should be implemented, including the maintenance of centralised training records and attendance logs, to evidence completion, and support oversight of training compliance.	<p>Recommendation accepted.</p> <p>A matrix displaying required training, and training received, will be developed for every member of the team as part of their induction. This will be reviewed annually as part of a PDP process.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/08/2026

Finding 3 – Project Initiation and Impact Assessments

Finding
Rating

Medium
Priority

Impact assessments

Under the [Public Sector Equality Duty \(Section 149\) of the Equality Act 2010](#), organisations should undertake appropriate impact assessments to identify and consider the effects of their decisions on protected groups, and to ensure compliance with equality obligations. SEStran undertake three types of impact assessments, depending on the nature of the individual project: Equalities Impact Assessment (EIA), Children’s Rights and Wellbeing Impact Assessment (CRWIA), and Fairer Scotland Duty Assessment (FSDA). For a sample of five projects:

- two had completed the relevant assessments
- two projects had not progressed to a stage where an assessment was required
- for the remaining project (Thistle Assistance), the nature of the activity indicated that consideration of an assessment would have been appropriate, but no assessment had been undertaken.

Data Protection Impact Assessment (DPIA)

Under Article 35 of the [UK General Data Protection Regulation](#), organisations are required to undertake a DPIA where processing activities are likely to pose a high risk to individuals’ rights or freedoms. A sample of five projects identified two projects (the Thistle Assistance project, and the Regional Bus Strategy project) that processed demographic and equality information as part of public engagement activities. Thistle Assistance project processed personal data, including demographic and equality information, whereas Regional Bus Strategy project processed such information on an anonymous basis. A DPIA had not been undertaken for either project.

Management advised that this was based on guidance received from an external Information Governance consultant, who considered that data collection was minimal, data was either not linked to identifiable individuals or was held separately, and the processing was considered unlikely to result in a high risk to their rights.

However, there was no documented DPIA screening assessment or formal decision-making records demonstrating that the decision not to undertake a DPIA has been appropriately considered, evaluated, and approved.

Project initiation documents

Project Initiation Documents (PIDs) and Project Outline Documents (PODs) were not consistently prepared, finalised, version controlled or formally approved across the projects reviewed. For a sample of five projects:

- one project’s PID remained in draft form (Regional Bus Strategy)
- for four projects, documented approval was not evidenced
- for all five sampled projects, no version control was included to evidence subsequent changes.

In addition, there is no standardised approach or defined criteria to determine when a project requires a PID or a POD.

Budget statements

The PID should be updated throughout each project to reflect any changes, such as revised budgets, project deadlines, or project milestones.

For a sample of five projects, three projects (Regional Bus Strategy, RTS Delivery Plan, and Regional Bike Share) the PID did not reflect revised budgets approved by the Partnership Board.

Risks

- **Project Management** – inconsistent application of project initiation requirements and documentation standards reduce assurance over project governance and decision making
- **Statutory Duties** – failure to consistently undertake or evidence impact assessments limits assurance that statutory obligations under the Equality Act 2010 and UK GDPR have been appropriately considered
- **Financial** – inconsistent recording and updating of approved project budget information across key documentation weakens financial oversight and reliability of project financial information.

Recommendations and Management Actions: Project Initiation and Impact Assessments

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
3.1	A clear process should be developed to ensure that impact assessments are consistently considered and documented at project initiation, including maintaining an audit trail that evidences the assessment and decision making and, where an impact assessment is not undertaken, the rationale for the decision is appropriately documented.	<p>Recommendation accepted.</p> <p>A revised Integrated Impact Assessment screening process and form has been developed over the latter part of 2025/26 and is now in use. This will be used to backfill gaps in existing projects that have been identified by this Audit and the projects team.</p> <p>Going forward, this process will be clearly incorporated into the PID process to ensure it is picked up at project inception and whenever the PID is revised (noting that at initiation it may not yet be clear if an IIA is required or not).</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027
3.2	A formal Data Protection Impact Assessment (DPIA) screening and assessment process should be implemented to ensure data protection risks are systematically evaluated and documented at project initiation in line with UK GDPR requirements. There should be a clear audit trail evidencing the assessment and decision making, including appropriate documentation of the rationale where it is determined that a DPIA is not required.	<p>We recognise the risks associated with the finding, to address these we will formalise programme and project management methodologies in 2026. As part of this, the standard PID template will be redesigned.</p> <p>We will discuss further with our expert data protection consultant a proportionate solution for DPIA screening, noting their feedback that SEStran's work to date has always been of low risk and therefore DPIAs have not been required. Any updates to processes as a result of this will be built into the above processes.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027
3.3	A standardised process should be developed to ensure Project Initiation Documents (PID) and Project Outlet Documents (POD) are consistently prepared, version-controlled, and formally approved, including defined criteria to determine when a project requires a PID, POD, or both.	<p>Recommendation accepted.</p> <p>We will formalise programme and project management methodologies in 2026. As part of this, the standard POD and PID templates will be redesigned.</p> <p>Guidance will be produced for the new process.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027
3.4	Revised budget figures should be consistently recorded and updated across all key project documentation.	<p>Recommendation accepted.</p> <p>We will formalise programme and project management methodologies in 2026. Guidance on when and how to update changes to budget will be included in the guidance for the new process.</p>	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027

Finding 4 – Change Control

Finding
Rating

Medium
Priority

SEStran has recently introduced a change control process to manage amendments to projects that have already been approved through the Annual Business Plan process. This represents an improvement in control design, with the process setting out approval hierarchies, based on the type and nature of project changes.

Core project baseline documents

Changes to project milestones and delivery completion dates were not consistently updated within project documentation. In three of the five projects sampled (Transport to Health, Regional Bus Strategy, RTS Delivery Plan), milestone and delivery dates have been changed in the Project and Strategy tracker, which is provided to PaSDOS, but were not consistently updated within relevant project documents.

Budget adjustments and inter-project transfers

The Project and Strategy tracker and the quarterly progress reports do not consistently show budget adjustments and budget transfers between projects. For example, inter-project budget transfer to Thistle Assistance (TA) project amounting to £18,941 (from Regional Bus Strategy and Transport to Health) was not consistently and adequately evidenced within the Project and Strategy Tracker and quarterly progress report.

Alignment between Annual Business Plan, and the Project and Strategy Tracker

The Annual Business Plan is created at the start of each financial year and includes project milestones and deliverables. These milestones should then be stated in the Project and Strategy tracker document, which is part of the reporting to PaSDOS.

However, for five sampled projects:

- the Regional Bike Share milestones for Q1 and Q3 recorded in the Annual Business Plan were not reflected in the project tracker, while Q2 and Q4 milestones recorded in the tracker could not be matched to those in the Annual Business Plan
- for the RTS delivery plan, milestones and delivery dates recorded in the Project Tracker did not align with those in the Annual Business Plan.

Change log

A centralised project change control log helps to ensure all changes to project scope, budget, milestones, and objectives are consistently recorded, tracked, and subject to appropriate oversight. While a change control process has recently been introduced, there is no change log in place.

Risks

- **Project Management** – inconsistent application of change control processes, and incomplete project monitoring arrangements reduce clarity over approved project baselines, delivery milestones, and overall project oversight
- **Financial** – insufficient documentation and reporting of budget adjustments and inter-project budget transfers diminish financial transparency, and the reliability of project financial reporting
- **Reputation** – inconsistent reporting and incomplete monitoring arrangements reduces assurance provided to governance forums, and potentially undermines confidence in project oversight.

Recommendations and Management Actions: Change Control

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
4.1	Key project documentation should be updated, where relevant, in response to changes agreed at committee.	Recommendation accepted. A change control process and guidance has been developed in Q4 2025/26 which will resolve this recommendation once fully implemented from April 2026. This will be built into formalised programme and project management methodologies in 2026.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	30/06/2026
4.2	All project changes made subsequent to committee approval should be consistently reflected across relevant project documentation and governance records (including the Project and Strategy Tracker and quarterly progress reports).	Recommendation accepted. A change control process and guidance has been developed in Q4 2025/26 which will resolve this recommendation once fully implemented from April 2026. This will be built into formalised programme and project management methodologies in 2026.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	30/06/2026
4.3	A change log should be introduced to ensure any subsequent project changes (such as to milestones and delivery completion dates, budgets, and inter-project transfers) are consistently recorded tracked and monitored (see Recommendation 2.1).	Recommendation accepted. A change log will be introduced to support the new change control process. This will be built into formalised programme and project management methodologies in 2026.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	30/06/2026

Finding 5 – Governance and Oversight

Finding
Rating

Medium
Priority

Action tracker for PaSDOS meetings

An action tracker to record, track, and monitor agreed actions from governance meetings, including defined ownership, target completion dates, and progress updates supports effective oversight and accountability. Actions agreed during Project and Strategy Delivery Oversight Subgroup (PaSDOS) meetings are recorded within meeting minutes, but there is no dedicated action tracker in place. Actions recorded do not include defined target completion dates, and follow-up of previously agreed actions is not routinely documented.

In addition, the PaSDOS Terms of Reference does not include formal document control information such as ownership, version control, approval records, or review frequency.

Project meetings

While project meetings are held fortnightly, they are not minuted, and the project meeting action tracker does not document explanations for delays or revised completion dates.

Lessons learned and benefits realisation

The review identified that lessons learned are generally captured as part of project closure reporting, including a narrative summary of lessons identified across several areas, together with key takeaways and actions intended to improve the management of future projects.

However, there is no central lessons learned log to support the identification of thematic issues and the consistent sharing of learning across projects to

enable continuous improvement. In addition, there is no structured mechanism in place to track, monitor, or report on the achievement of expected project benefits over time. Development of a formal benefit realisation plan or log would allow oversight of benefits achieved.

Assumptions underpinning financial forecasting

For a sample of five projects, the assumptions used to determine budget forecasts were unclear and not clearly documented. In addition, there was no evidence that these assumptions had been subject to independent review or verification by Finance.

Risks

- **Project Management** – incomplete action monitoring arrangements reduce assurance that agreed actions, project decisions, and lessons learned are systematically tracked, implemented, and embedded in project management practise
- **Financial** – the absence of financial forecasting methodology and undocumented assumptions reduces the reliability and transparency of projected budget performance reported to governance forums
- **Governance and Decision Making** – inconsistent governance documentation, oversight arrangements, and financial reporting may weaken management oversight, and limit the availability of reliable information to support effective governance and informed decision making.

Recommendations and Management Actions: Governance and Oversight

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
5.1	An action tracker should be implemented to record, monitor, and report progress against agreed actions from PaSDOS subgroup meetings, including defined owners, target completion dates, and status updates. (see Recommendation 2.1).	Recommendation accepted. An action tracker exists for team and project meetings. This will be adapted to include actions from PaSDOS meetings.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/05/2026
5.2	Project meetings should be consistently minuted. In addition, the action tracker should include clear evidence of progress, overdue actions, and revised completion dates (see Recommendation 2.1).	We recognise the risks associated with the finding. The action tracker will remain the key tool used to record important outputs of project meetings. There are no current plans to take minutes of these meetings. The tracker will be amended to ensure that it meets the other requirements of recommendation 5.2	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/05/2026
5.3	A document control section should be included within the PaSDOS subgroup's Terms of Reference, detailing document ownership, version control, approval records, and a defined review frequency.	Recommendation accepted. This recommendation has been actioned, and a document control section will be added to other Terms of Reference etc.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/08/2026
5.4	A centralised lessons learned log should be implemented to capture lessons identified from projects and track how these are translated into improvement actions (see Recommendation 2.1).	Recommendation accepted. We will formalise programme and project management methodologies in 2026. This will include creation, maintenance of a Lessons Learned log, and guidance on how the log should be used during the inception of new programmes or projects.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027
5.5	A benefits realisation plan and log should be introduced to allow for a structured approach to track, monitor, and report on the achievement of expected project benefits over time (see Recommendation 2.1).	Recommendation accepted. We will formalise programme and project management methodologies in 2026. This will include creation and maintenance of a Benefits Realisation Strategy, and an individual Benefits Realisation plan for each programme or project.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
5.6	A financial forecasting methodology should be established to ensure forecasts are based on clear assumptions, include documented and verified assumptions, and are subject to appropriate financial review (see Recommendation 2.1).	We recognise the risks associated with the finding, to address these we will formalise programme and project management methodologies in 2026. This will include guidance on documenting assumptions and managing them in the same way that risks are managed.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/01/2027

Finding 6 – Contract and Supplier Management

Finding Rating	Medium Priority
----------------	-----------------

Contract award letters and supporting documentation

SEStran engages suppliers to support the delivery of key aspects of projects and issues contract award letters to confirm engagement with contractors, which are treated as contractual agreements between the organisation and the contractor. In this context, contract award letters should include all necessary information including deliverables, milestones, pricing structure, performance measures, and progress reporting requirements to support effective supplier and contract management.

However, aside from the total contract value and the contract period, these letters do not clearly define any of the key elements noted above, with reliance instead being placed on references to the contractor’s original tender submission as the basis for pricing and other contractual obligations. Review of documentation for a sample of six contracts identified that:

- while the Contract Award Letter refers to the contract proposal and quotations, in no instances were these documents attached to the Contract Award Letter or clearly incorporated as formal contract documents
- supporting proposal and quotation documents were not standardised and varied significantly in format, clarity, content, and level of detail.

Documentation for contract monitoring and performance oversight

Effective contract monitoring and performance oversight arrangements should be in place and documented, to evidence regular review of supplier performance, including progress meetings, and performance reporting.

However, there was no evidence of meetings with suppliers or receipt of performance monitoring reports. Management confirmed that such records are not generally maintained, and limited evidence was available to demonstrate active oversight, particularly for significant multi-year contracts.

Risks





- **Contract Management** – weaknesses in contract documentation, award arrangements, and contract monitoring processes reduce clarity over contractual obligations, reduce oversight of supplier performance, and may undermine the reliability and legal enforceability of contract award documentation in the event of contractual disputes or litigation
- **Financial** – inconsistent contract documentation and unclear pricing structures reduce assurance over the accuracy, transparency, and control of contractual expenditure
- **Reputational** – insufficient contract governance and monitoring arrangements may undermine confidence in the organisation’s ability to effectively manage supplier relationships and contracts.

Recommendations and Management Actions: Contract and Supplier Management

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
6.1	Contract Award Letters should be strengthened to clearly define key contractual elements, including deliverables, milestones, pricing structures, performance measures, and reporting requirements.	Risk accepted. Contracts issued all have deliverables, milestones, costing, performance and/or reporting requirements that are proportionate to contract size and type. Following legal advice, we will maintain the current approach to issuing contracts and award	Partnership Director, SEStran	Senior Partnership Manager, SEStran	N/A

Ref.	Recommendation	Agreed Management Action	Action Owner	Lead Officers	Timeframe
	Where reliance is placed on supporting proposals or quotations, these should be incorporated into Contract Award Letters or attached as schedules.	letters, and this will be the process followed when revised contracts are developed in Q1 2026/27. This process, including how documents should be stored, will be clarified within the procurement manual which is also under development.			
6.2	A formal contract monitoring and performance management framework should be implemented, which should include the requirement to document evidence of progress, have minuted meetings, and receive and review performance reporting.	Recommendation accepted. Guidance will be produced to clarify when performance management is required, and how it should be implemented and documented.	Partnership Director, SEStran	Senior Partnership Manager, SEStran	31/08/2026

Appendix 1 – Control Assessment and Assurance Definitions

Control Assessment Rating		Control Design Adequacy	Control Operation Effectiveness
Well managed		Well-structured design efficiently achieves fit-for purpose control objectives	Controls consistently applied and operating at optimum level of effectiveness.
Generally Satisfactory		Sound design achieves control objectives	Controls consistently applied
Some Improvement Opportunity		Design is generally sound, with some opportunity to introduce control improvements	Conformance generally sound, with some opportunity to enhance level of conformance
Major Improvement Opportunity		Design is not optimum and may put control objectives at risk	Non-conformance may put control objectives at risk
Control Not Tested	N/A	Not applicable for control design assessments	Control not tested, either due to ineffective design or due to design only audit

Overall Assurance Ratings	
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Finding Priority Ratings	
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.
Low Priority	An issue that results in a small impact to the achievement of objectives in the area audited.
Medium Priority	An issue that results in a moderate impact to the achievement of objectives in the area audited.
High Priority	An issue that results in a severe impact to the achievement of objectives in the area audited.
Critical Priority	An issue that results in a critical impact to the achievement of objectives in the area audited. The issue needs to be resolved as a matter of urgency.

Appendix 2 – Areas of Audit Focus and Control Objectives

Audit Areas	Control Objectives
Risk Management	<ul style="list-style-type: none"> risks related to project management are identified, recorded, and managed within a relevant SEStran risk register, and regularly reviewed to ensure appropriate mitigating actions are in place and remain effective.
Information Governance	<ul style="list-style-type: none"> information governance risks for project management are clearly understood, and effective controls have been established to ensure adherence to relevant SEStran policies and procedures.
Project Governance	<ul style="list-style-type: none"> an appropriate project governance structure and forums (for example, a project board) have been established with clearly defined remits business cases, or equivalent, have been prepared for projects and approved by the relevant project board, and oversight committee business cases, or equivalent, contain full and accurate financial information the business cases, or equivalent, are updated to reflect any significant project changes clear project plans which detail timeframes, ownership, dependencies, and progress for all key project deliverables have been developed complete and up-to-date highlight/progress reports are provided to relevant governance forums, which include benefits tracking; risks, issues and dependencies reporting; and budgetary information governance meetings provide effective scrutiny, and actions are documented, appropriately delegated, and tracked through to completion clear stakeholder engagement and communication plans have been developed and approved by the relevant governance forums Integrated Impact Assessments are performed for all relevant projects, and there is confirmation of compliance with the Equality Act 2010's Public Sector Equality Duty post-implementation reviews are scheduled / have been held to reflect on lessons learned and confirm that all anticipated benefits have been realised.
Project Skills and Experience	<ul style="list-style-type: none"> projects are overseen by project managers who are appropriately skilled with relevant project delivery experience the projects follow SEStran's project management methodology, and guidance from the Scottish Government and HM Treasury where relevant where required, project management training has been delivered to ensure consistent application of project management methodology and project tools.
Contract and Supplier Management	<ul style="list-style-type: none"> effective supplier management arrangements (including sub-contractor) are in place to monitor delivery progress against project timelines, terms and costs are in line with contract terms and conditions.

Risk Register

1. INTRODUCTION

- 1.1 The purpose of this report is to provide the Performance and Audit Committee with a quarterly update on SEStran's corporate risk register.

2. BACKGROUND

- 2.1 The Performance and Audit Committee, at its meeting in November 2021 approved the [SEStran Risk Management Framework Policy](#). This policy supports the management of the overall risk process within the organisation, including its governance arrangements.
- 2.3 The latest version of the risk register can be found at **Appendix 1** of this report.

3. KEY NET RISKS

- 3.1 This report focuses on the 3 main current strategic risks, based on the total risk scores shown in the strategic risk register, which is included as an appendix to the report.
- 3.2 The Partnership continues to operate within a context of external uncertainty, and the highest-rated risks within the current register reflect this position.
- 3.3 R001 1.1 Transport Governance
- 3.3.1 The principal net risk (R001 1.1) relates to the ongoing Transport Scotland review of regional transport governance, which has the potential to lead to changes in the roles, responsibilities and future structure of Regional Transport Partnerships. While this presents a level of uncertainty, it is also recognised as a potential opportunity to strengthen regional delivery arrangements and the Partnership's influence over the implementation of the Regional Transport Strategy. This aligns with recent reports to the Board and Committee on the governance review, and ongoing engagement with Transport Scotland and partner authorities.
- 3.4 R001 1.3 Political/Government Change
- 3.4.1 R001 1.3 recognises the continued risk associated with political and policy change, including the implications of recent and forthcoming electoral cycles and the potential for shifts in national and local transport priorities. This risk is being actively managed through sustained engagement with political stakeholders, the development and promotion

of the SEStran Manifesto, and wider communications activity to ensure the Partnership is well positioned to influence emerging policy direction. The linkage between this risk and the governance review is significant, as the direction of national policy will directly inform the outcomes of structural reform.

3.5 R002 2.5 Funding Reductions

3.5.1 In addition, R002 2.5 highlights the ongoing risk of reductions in core funding from the Scottish Government and constituent councils. This reflects the broader financial environment and continued pressure on public sector budgets, with implications for the Partnership's capacity to deliver its statutory duties and strategic objectives. This risk is closely aligned with recent financial planning reports and budget discussions, which emphasise the need for prudent financial management, continued engagement with funding partners, and active pursuit of alternative and external funding streams. The risk also links to wider programme delivery considerations, including reliance on time-limited or restricted funding sources, and the need to ensure that core activities remain sustainable over the medium term.

3.6 Summary

3.6.1 Taken together, these risks highlight a consistent theme across the current register: the Partnership's exposure to external factors, including national policy development, political change, and funding pressures. Current mitigation activity is focused on maintaining strong relationships with key stakeholders, ensuring visibility within national discussions, and aligning financial and organisational planning with a range of potential future scenarios.

3.6.2 Alongside this, the Partnership is exploring more efficient ways to deliver services, both internally and with partners. This supports Transport Scotland's focus on shared services and aims to minimise cost increases, rather than relying on additional funding to maintain existing approaches. Overall, this approach strengthens organisational resilience while positioning SEStran to respond proactively to emerging opportunities as the external environment evolves.

4. **RISK REVIEW**

4.1 The Committee is advised that the Risk Register will be subject to a comprehensive review in response to the Internal Audit findings. As part of this process, the register will be refreshed and rebuilt from first principles to ensure it remains robust, transparent and aligned with current organisational priorities. While the overarching risk management framework will remain unchanged, this review will focus on re-identifying and refining the risks themselves. This approach recognises that the existing register may have become too internally focused over time, and provides an opportunity to strengthen its strategic relevance, improve clarity of risk articulation, and ensure appropriate external context and challenge are incorporated. This will support more effective identification and management of risks associated with key areas of work, including the delivery of programmes and projects. Next steps will include

engaging with senior officers and partners to re-identify key risks and presenting a refreshed register to a future Committee for review and approval.

5. RECOMMENDATIONS

- 5.1 The Committee is asked to comment on the contents of the report;
- 5.2 Note that a revised and updated risk register will be presented to a future Committee, and
- 5.3 Note that the corporate risk register will be presented to the 19 June 2026 Partnership Board for noting.

Angela Chambers
Business Manager

Appendix 1: SEStran Risk Register





Policy Implications	Policies have been reviewed and updated.
Financial Implications	As highlighted in the register.
Equalities Implications	None
Climate Change Implications	None

APPENDIX 1

Risk Number	Risk Category	Risk Detail	Gross Risk Assessment			Planned Response/Mitigation	Risk After Mitigation			Date and Owner	Risk Appetite		Action Required
			Probability	Impact	Risk Score		Probability	Impact	Risk Score		Low	Med	
R001 1.1	Strategic	Regional Governance Transport Scotland review of regional transport governance arrangements could result in changes to functions of RTPs. This could present either a risk or an opportunity to SEStran.	4 Probable	4 Major	16 High	A new Directorate within TS has been created and an officer has been appointed to lead the transport governance review, which should begin around May 2026. This presents a real opportunity for SEStran, the other RTPs, and local authorities to gain more direct control over delivery of the RTS. The TS review will have a high dependency on the separate SG work on giving regional economic partnerships legal status	4 Probable	4 Major	16 High	High Treat	Review at end of May 2026 Sept 2026 Partnership Director	Low Med	↓
R001 1.2	Strategic	Pandemic / Epidemic: Interruption of normal service/inability to deliver functions. Financial impact of crisis on sources of funding.	3 Possible	4 Major	12 Medium	Adhere to Government restrictions, rules or guidance. Regular communication with Transport Scotland and constituent councils officials to guide any operational changes. Ensure that all staff are trained on the Business Continuity Plan, and that it is reviewed regularly. Maintain current functions that can be delivered within working guidance. Hybrid Working Policy in place.	3 Possible	3 Moderate	9 Medium	Medium Tolerate	Review at end of May Sept 2026 Partnership Director	Low Med	↔
R001 1.3	Strategic	Political/Govt Change There is a risk that a change in government could lead to changes to RTPs/Regional Governance	3 Possible	4 Major	12 Medium	Continued engagement with all political parties and agencies. A SEStran Manifesto was launched at the SEStran Summit on 4 December. A comms plan targetting MSPs before and after the election is being prepared in conjunction with our public affairs advisers. <i>Officers will outreach to local government politicians in advance of the local government elections in May 2027</i>	3 Possible	4 Major	12 Medium	Medium Tolerate	Review at end of Apr Sept 2026 Partnership Director	Low Med	↔

R002 2.0	Financial	Financial: Significant deviation from budgeted spend	2	Unlikely	3	Moderate	6	Low	The Financial Rules do not permit spending (whether revenue or capital) to exceed available budget. Budget and spend is monitored on a monthly basis by SEStran officers, using financial information provided by CEC through the Partnership's Financial Services Service Level Agreement with CEC and supported by qualified accounting staff of CEC. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership. The Partnership's Financial Rules require reporting of financial performances to the Partnership Board on a quarterly basis. Transport (Scotland) Act 2019 includes section on RTPs carrying reserves.	1	Remote	2	Minor	2	Low	Low Tolerate	June 2026 Partnership Director	Low	Low	↔
R002 2.1	Financial	Staff recharges - externally funded projects: The approved budget assumes staff time can be recharged to Projects. There is a risk this may not be achievable.	3	Possible	3	Moderate	9	Medium	Any shortfall in employee cost recharges will be offset by a corresponding reduction in Projects Budget expenditure. Other funding sources will continue to be pursued. Action is taken by Partnership officers to develop alternative savings measures, including options for development of contingency arrangements, if required and subject to approval by the Partnership.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	May June 2026 Partnership Director	Low	Med	↔
R002 2.2	Financial	Inflation: There is a risk that the indicative budget does not adequately cover price inflation and increasing demand for services.	4	Probable	4	Major	16	High	When setting the revenue budget, allowances are made for specific known price inflation. Budgets adjusted in line with current cost forecasts. Ongoing monitoring and review of all costs and forecasts. In preparing estimates for future financial years, the Partnership will review all cost estimates to determine if it will be necessary to make a case to increase council contributions.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	May June 2026 Partnership Director	Low	Med	↔
R002 2.3	Financial	Delays in payment of external grants results in additional short-term borrowing costs.	3	Possible	3	Moderate	9	Medium	SEStran grant claims for projects are submitted in compliance with grant funding requirements to ensure minimal delay in payment. Ongoing monitoring of cash flow is undertaken to manage exposure to additional short-term borrowing costs. Grant submission procedures in place, along with financial planning.	3	Possible	3	Moderate	9	Medium	Medium Tolerate	May June 2026 Partnership Director	Low	Med	↔
R002 2.4	Financial	Sources of additional income to the Partnership may become constrained in the current economic climate and/or due to changes in operating arrangements.	4	Probable	4	Major	16	High	Revenue budget-developed to take account of most likely level of external income. Continue to explore alternative funding options Lobby/bid for additional funds	3	Possible	4	Major	12	Medium	Medium Treat	May June 2026 Partnership Director	Low	Med	↓

R002 2.5	Financial	Funding reductions: Future reductions in core funding from Scottish Government and/or council requisitions. This could result in difficulty in delivering statutory obligations/duties.	3	Possible	4	Major	12	Medium	The Partnership will continue to source and develop external funding. Manage organisation in accordance with available funding but ability of organisation to deliver RTS objectives will inevitably be dictated by available funding. Engagement/advocating with SG/TS/constituent councils to maintain/increase funding Working with other RTPs to influence SG review of allocation of funding	3	Possible	4	Major	12	Medium	Medium Tolerate	May June 2026 Partnership Director	Low Med	
R002 2.6	Financial	The funding position of the staff pension fund could lead to increases in the employers pension contribution	4	Probable	3	Moderate	12	Medium	Following Lothian Pension Fund's Triennial Actuarial Review in 2023, Partnership employer pension fund contribution rates are now confirmed at 26.8% until 31 March 2027. Financial planning assumptions have been updated and included in the revenue budget-approved by the Partnership Board.	4	Probable	3	Moderate	12	Medium	Medium Tolerate	May June 2026 Partnership Director	Low Med	
R002 2.7	Financial	The Partnership may incur additional staff release costs if current staffing levels cannot be maintained due to funding constraints.	3	Possible	4	Major	12	Medium	The Partnership continues to seek additional sources of funding for activities aligned to the Partnership's objectives to supplement resources. Recruitment control measures in place. Additional resources can be managed through consultancy as required. People and Place Programme has increased financial flexibility.	2	Unlikely	4	Major	8	Medium	Medium Tolerate	May June 2026 Partnership Director	Low Med	
R002 2.8	Financial	Funding/Grant Awards: The timing of some funding applications and grant awards do not align with the financial year, resulting in an inability to spend allocated funding within prescribed timescales	4	Probable	3	Moderate	12	Medium	As part of the ongoing business planning process the Partnership will continue to develop and introduce where appropriate a number of suitable on the shelf schemes. All potential schemes will be subject to detailed impact assessments to ensure impacts on the Partnership's core activities are minimised or mitigated. Regular budget monitoring and reports to the Partnership Board. Continue to press case through available channels for multi year funding	3	Possible	3	Moderate	9	Medium	Medium Treat	May June 2026 Partnership Director	Low Med	

<p>R002 2.9</p>	<p>Financial</p>	<p>Increase in employers on-costs: Changes to UK Government policy (for example increases in employer National Insurance contributions or other statutory on costs) could lead to higher staffing costs than budgeted, placing pressure on revenue budgets and limiting the Partnership's ability to deliver planned activities.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Monitor UK Government fiscal announcements and emerging policy changes. Reflect known or anticipated changes in medium term financial planning where possible. Maintain dialogue with constituent councils and finance partners on cost pressures and assumptions. Consider mitigation through budget re-profiling or prioritisation if increases materialise.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Review annually or following significant fiscal announcements. Tolerate</p>	<p>May June 2026 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>R003 3.0</p>	<p>Reputational</p>	<p>Project Management: Project incomplete or of poor quality Late Delivery</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>All project progress reported to the Projects Team monthly and the Project and Strategy Delivery Oversight Subgroup quarterly. Minutes of PaSDOS and the full project report are also taken to P&A Committee quarterly for additional oversight. Management action taken as required.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026 Programme Manager</p>	<p>Low</p>	<p>Med</p>	
<p>R003 3.1</p>	<p>Reputational</p>	<p>Reputation: Regard by the public and stakeholders. Negative or inaccurate media coverage leading to misrepresentation of SEStran position</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Quick response to negative or inaccurate coverage managed by Communications & Marketing Officer, Proactive profile and reputation management via social media, website and press releases. Partnership staff and Board Members continue to promote and advocate activities via speaking, writing or wider networking Continue to work closely with regional partners Board members regularly updated on SEStran work successes and issues. Agreed approach to media position set out in Standing Orders.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026 Partnership Director</p>	<p>Low</p>	<p>Med</p>	
<p>R003 3.2</p>	<p>Reputational</p>	<p>Project Management: Potential insolvency of 3rd party supplier</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Major</p>	<p>9</p>	<p>Medium</p>	<p>Improved supplier viability checks before award, renewal or modification of contracts or grants now in place. Individual risks and mitigations to be developed for any contract or grant over an agreed threshold. Where appropriate, Government frameworks will be utilised. Full review of procurement procedures is nearing completion by Legal Advisers. Staff training on new procedures to be developed.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Medium Treat</p>	<p>Review at end Dec 2026 Programme Manager</p>	<p>Low</p>	<p>Med</p>	

R005 5.0	External	Third party Service Level Agreements: Failure or inadequacy of service	2	Unlikely	2	Minor	4	Low	Service Level Agreements in place for Financial Services, HR and Insurance services. Reviewed annually by senior officers. Subject to independent audit scrutiny.	2	Unlikely	2	Minor	4	Low	Low Tolerate	Review at end Dec 2026 Business Manager	Low Med	↔
R005 5.1	External	Contract Management: Failure to manage contracts leads to under performance and failure to obtain best value and delivery from contractual relationship.	3	Possible	4	Major	12	Medium	Conditions of contract reviewed, including Contract Standing Orders. This work will shape a new Procurement Strategy and Manual which is being developed by Anderson Strathern. Ensure contract documentation sound and up to date. Ensure contracts are adequately managed. Business propriety/credit/analytic criteria to be written in to documentation. Contract management process to be included as part of full procurement review.	2	Unlikely	3	Moderate	6	Low	Low Tolerate	Review at end Dec 2026 Programme Manager	Low Med	↔
R005 5.2	External	Grants: Failure to adhere to grant conditions could result in grants being withheld or reclaimed, impacting the SEStran budget	4	Probable	4	Major	16	High	Ensure that grant conditions are understood before application is submitted, that relevant team members are briefed on grant conditions, and that adequate controls are in place to ensure that all steps and approvals are documented. Grant standing orders Also refer to risk 2.9. Successful management of risk 5.2, reduces likelihood of risk 2.9	2	Unlikely	4	Major	8	Medium	Medium Treat	Review at end Dec 2026 Programme Manager	Low Med	↓
R006 6.0	Legal and Regulatory	Statutory Duties: Failure to adhere to duties described in legislation and related documentation	3	Possible	4	Major	12	Medium	Regular monitoring and programming of statutory duties is undertaken by the Partnership Director, Senior Partnership Manager and Business Manager. Audited by third parties. Officers to carry out a review of compliance with Public Sector Equality Duty. Horizon scanning of consultations which may lead to new statutory responsibilities. Create Register of Statutory Duties, to be kept updated, ensure smooth succession planning	2	Unlikely	4	Major	8	Medium	Treat	Review at end Dec 2026 Partnership Director	Low Low	↔
R007 7.0	Specific Operational	People and Place Plan: Funding changes result in programme not continuing regionally beyond 2026/27	3	Possible	3	Moderate	9	Medium	Engage regularly with Transport Scotland. Ensure outcomes and outputs from the programme delivery are captured to evidence efficacy of regional approach. With the election in early 2026, the impact of this on P&P is unknown and so likelihood of this has been upgraded to possible despite the mitigations.	3	Possible	3	Moderate	9	Medium	Low Tolerate	Review at end Apr 2026 Programme Manager	Low Med	↔

R008 8.0	System and Technology	Digital/IT: Server failure Comms failure Website breach Resulting in loss of service to business operations	3	Possible	4	Major	12	Medium	Regular review of the Management Plan for Business Continuity. IT/Website maintained under contract. Both proactively managed by third parties. IT hardware/software/licences upgraded at regular intervals. Contracted IT consultants deliver IT services. Website contract includes security updates. Robust Information Security Policy in place with regular monitoring reports. GDPR compliant and Cyber Essentials Plus Accreditation maintained.	1	Remote	4	Major	4	Low	Low Tolerate	Ongoing / review Dec 2026 Business Manager	Low Med	
R008 8.1	System and Technology	Cyber Security: Public sector entities are prime targets for cyberattacks and data breaches, which can compromise sensitive information and disrupt services.	3	Possible	4	Major	12	Medium	Annual Cyber Essentials Plus audit and accreditation awarded. In receipt of daily threats and weekly vulnerability emails from the Scottish/National Cyber Security Centre. Regular Staff training and exercises. Monthly in person visit by IT Consultant/Engineer under contracted services provision.	2	Unlikely	4	Major	8	Medium	Medium Treat	Ongoing / review Dec 2026 Business Manager	Low Low	
R009 9.0	People	HR: Non-compliance with employment and/or data privacy laws may result in poor reputation as an employer, difficulty in attracting skilled resource and greater probability of litigation and / or financial penalties	3	Possible	3	Moderate	9	Medium	SLA in place until May 2026 with Falkirk Council to provide specialist HR advice as required and is under regular review. Legal advice is provided, when required, through a framework contract, which is in place until August 2027	1	Remote	3	Moderate	3	Low	Low Tolerate	Review at end May Dec 2026 Partnership Director	Low Low	
R009 9.1	People	Inadequate measures in place to facilitate staff health, safety and well-being during contingency arrangements or future office arrangements.	3	Possible	4	Major	12	Medium	Regular review of appropriate policies. Carry out appropriate assessments of office equipment and working arrangements, following landlords guidance in relation to access to the office. Risk Management Framework approved by P&A Committee. Liaise with HR Adviser, SG facilities team. Hybrid Working Policy implemented to facilitate transition arrangements to normal working arrangements. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice.	2	Unlikely	3	Moderate	6	Low	Low Tolerate	Review at end Dec 2026 Partnership Director	Low Low	

<p>R009 9.2</p>	<p>People</p>	<p>Inadequate measures in place to facilitate staff health, safety and well-being during working from home arrangements.</p>	<p>3</p>	<p>Possible</p>	<p>4</p>	<p>Major</p>	<p>12</p>	<p>Medium</p>	<p>Appropriate policies are reviewed and updated. Risk assessments of staff personal home working arrangements have been completed and will be subject to regular review. Risk Management Framework approved-by P&A Committee. Business Continuity Plan reviewed. Liaise with HR Adviser. Review transition arrangements to normal working arrangements at appropriate time. Hybrid Working Policy implemented and working well. An ongoing risk remains for future pandemics and future widespread disease or other outbreaks. Measures will be adjusted in accordance with government advice and legislation.</p>	<p>2</p>	<p>Unlikely</p>	<p>3</p>	<p>Moderate</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026 Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p>R009 9.3</p>	<p>People</p>	<p>Loss of key personnel may lead to inability to deliver strategy, projects and/or operations</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Recruitment Policy in place. Development of existing staff through performance appraisal. Staff training Work programme will be monitored and redistributed as necessary.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026 Partnership Director</p>	<p>Low</p>	<p>Low</p>	
<p>R009 9.4</p>	<p>People</p>	<p>Climate Change Staff are unable to access the office more frequently due to increase in adverse weather events.</p>	<p>3</p>	<p>Possible</p>	<p>3</p>	<p>Moderate</p>	<p>9</p>	<p>Medium</p>	<p>Home working policy in place and procedures for inability to access the office outlined in the SEStran Business Continuity Plan (Jan 2024). Train team in BCP, and review regularly.</p>	<p>3</p>	<p>Possible</p>	<p>2</p>	<p>Minor</p>	<p>6</p>	<p>Low</p>	<p>Low Tolerate</p>	<p>Review at end Dec 2026 Partnership Director</p>	<p>Low</p>	<p>Low</p>	

Risk Number	Risk Detail	Risk Category	Gross Risk Assessment			Planned Response/Mitigation	Net Risk Assessment			Risk After Mitigation/Appetite for Risk	Date and Owner						
			Probabilit	Impact	Risk Score		Probabilit	Impact	Risk Score			Low	Med	High			
	Restricted ability to undertake RTS re-write: inadequate senior staff resourcing available due to continued absence of Partnership Director	Strategic	4	Probable	3	12	Medium	2	Unlikely	2	Minor	4	Low				
	Accommodation: Occupancy Agreement with SG due for renewal February 2019. SG may not renew and alternative premises required at market rates.	Financial	3	Possible	3	9	Medium	3	Possible	3	Moderate	9	Medium				June 2019 CLOSED
	ECOMM: Agreement to commit to ECOMM on the basis of being cost neutral. Income depends on number of delegates attending conference.	Financial	3	Possible	3	9	Medium	3	Possible	2	Minor	6	Low				June 2019 CLOSED
	Following the outcome of the EU Referendum, the Partnership is unable to access EU funding.	Financial	5	Highly Probable	3	15	High	4	Probable	3	Moderate	12	Medium				June 2021 CLOSED
	Governance: Succession Planning Business Continuity	Governance	3	Possible	3	9	Medium	2	Unlikely	2	Minor	4	Low				CLOSED Partnership Director
	Policy Appraisal: Poor Quality Lack of consultation	Strategic	1	Remote	3	3	Low	1	Remote	2	Minor	2	Low				CLOSED Partnership Director
	Regional Transport Strategy: Introduction of new RTS. Delay in approval by ministers. Delayed introduction of the new strategy.	Strategic	3	Possible	2	6	Low	1	Remote	2	Minor	2	Low				28 March 2023 Jim Stewart CLOSED
	Newly Appointed Board. Risk of lack of continuity and loss of expertise due to high turnover in members for the new term of office.	Governance	3	Possible	3	9	Medium	2	Unlikely	2	Minor	4	Low				Ongoing Partnership Director CLOSED
	Other Funding Sources: Reduced access to EU project funding and lack of replacement funding from UK Government	Financial	5	Highly Probable	3	15	High	5	Highly Probable	2	Minor	10	Medium				CLOSED Partnership Director
	Regional Governance Lack of clarity on role of non statutory REP/ESES City Region Deal groupings	Strategic	4	Probable	3	12	Medium	2	Unlikely	3	Moderate	9	Medium				CLOSED Partnership Director
	The approved budget for 2025/26 makes provision for a pay award of up to 3%.	Financial	5	Highly Probable	3	15	High	2	Unlikely	3	Moderate	6	Low				CLOSED December-2025 Partnership Director

Close 12

Risk Description and Impacts Table

Ref	Type of Risk	Description	Impact
R001	Strategic	Inability to design and / or implement a strategic plan or strategy for SEStran.	Lack of clarity regarding future direction and structure of SEStran impacting quality and alignment of strategic decisions
R002	Financial	Inability to perform financial planning; deliver an annual balanced budget; manage cash flows; and confirm ongoing adequacy of reserves	SEStran is unable to continue to deliver in line with strategic objectives; inability to meet financial targets; adverse external audit opinion; adverse reputational consequences
R003	Reputational	Adverse publicity because of decisions taken and / or inappropriate provision of sensitive strategic, commercial and / or operational information to external parties	Significant adverse impact to SEStran's reputation in the public domain
R004	Governance	Inability of management and members to effectively manage and scrutinise performance, and take appropriate strategic, financial and operational decisions	Poor performance is not identified, and decisions are not aligned with strategic direction
R005	External	Inability to effectively manage SEStran's most significant supplier and partnership relationships	Inability to deliver strategy and major projects within budget and achieve best value
R006	Legal / regulatory	Delivery of services and decisions are not aligned with applicable legal and regulatory requirements	Regulatory censure and penalties; legal claims; financial consequences
R007	Specific Operational	Inability to deliver projects and programmes effectively, on time and within budget	Inability to deliver projects; achieve service improvements; and deliver savings targets
R008	System and technology	Potential failure of cyber defences; network security; application security; and physical security and operational arrangements	Inability to use systems to support services; loss of data and information; regulatory and legislative breaches; and reputational consequences
R009	People	Employees and / or citizens suffer unnecessary injury and / or harm	Legal; financial; and reputational consequences
R010	New Project Income	Inability to attract new projects to fill the funding gap left by diminishing EU projects/Brexit	Inadequate funding streams and lack of innovation.

Risk Impact

Likelihood		Severity		Risk Score	
1	Remote	1	Insignificant	1	Low Risk
2	Unlikely	2	Minor	2	
3	Possible	3	Moderate	3	
4	Probable	4	Major	4	
5	Highly Probable	5	Catastrophic	5	
				6	Medium Risk
				8	
				9	
				10	
				12	High Risk
				15	
				16	
				20	
				25	

At Risk
Strategic
Financial
Reputational
System and Technology
Governance
Specific Operational
External
Legal and Regulatory
People
New Project Income

Impact				
Descriptor	Score	Health and Safety Impact	Impact on Service and Reputation	Financial Impact
Insignificant	1	No injury or no apparent injury.	No impact on service or reputation. Complaint unlikely, litigation risk remote.	Loss/costs up to £5000.
Minor	2	Minor injury (First Aid on Site)	Slight impact on service and/or reputation. Complaint possible. Litigation possible.	Loss/costs between £5000 and £50,000.
Moderate	3	Reportable injury	Some service disruption. Potential for adverse publicity, avoidable with careful handling. Complaint expected. Litigation probable.	Loss/costs between £50,000 and £500,000.
Major	4	Major injury (reportable) or permanent incapacity	Service disrupted. Adverse publicity not avoidable (local media). Complaint expected. Litigation expected.	Loss/costs between £500,000 and £5,000,000.
Catastrophic	5	Death	Service interrupted for significant time. Adverse publicity not avoidable (national media interest.) Major litigation expected. Resignation of senior management/directors.	Theft/loss over £5,000,000

Likelihood		
Descriptor	Score	Example
Remote	1	May only occur in exceptional circumstances.
Unlikely	2	Expected to occur in a few circumstances.
Possible	3	Expected to occur in some circumstances.
Probable	4	Expected to occur in many circumstances.
Highly Probable	5	Expected to occur frequently and in most circumstances.

Impact					
Impact	5	10	15	20	25
Catastrophic	5	10	15	20	25
Major	4	8	12	16	20
Moderate	3	6	9	12	15
Minor	2	4	6	8	10
Insignificant	1	2	3	4	5
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

Risk Appetite

Risk Rating	Net Risk Assessment	Risk Appetite Response
High	15-25	Unacceptable level of risk exposure which requires action to be taken urgently.
Medium	7-14	Acceptable level of risk but one which requires action and active monitoring to ensure risk exposure is reduced
Low	1-6	Acceptable level of risk based on the operation of normal controls. In some cases, it may be acceptable for no mitigating action to be taken.

Risk Response

There are four categories of risk response:

Terminate: risk avoidance – where the proposed activity is outwith the current risk appetite level;

Treat: risk reduction – where proactive action is taken to reduce the likelihood or impact of an event occurring or limiting the consequences should it occur

Transfer: risk transfer – where the liability for the consequences is transferred to an external organisation in full or part (e.g. insurance cover)

Tolerate: where certain risks are accepted

Risk Appetite Target Scores

Risk Description	From	To	Commentary
Strategic	Low	Medium	SEStran has a low to medium appetite in relation to its strategic risks and aims to ensure effective delivery of its commitments in line with agreed timescales. Strategic delivery is monitored through ongoing reporting processes and governance processes.
Financial	Low	Medium	SEStran has a low to medium appetite in relation to financial risk and may be prepared to accept some risk, subject to: <ul style="list-style-type: none"> · setting and achieving an annual balanced revenue budget, in line with legislative requirements · maintaining an unallocated general reserve fund, in line with legislative requirements The target appetite score for any significant budget overspend will be low. Financial risk is set out in SEStran's Governance Scheme.
Reputational	Low	Medium	SEStran is prepared to tolerate a low to medium level of occasional isolated reputational damage. Media response protocols are set out in the Governance Scheme.
System and Technology	Low	Medium	SEStran has a low to medium appetite in relation to system and technology risk. The risk appetite will vary depending on the nature, significance and criticality of systems used, and the services they support. Risks are managed through ongoing use of inbuilt technology, security controls, encryption, data loss prevention, firewalls and vulnerability scanning, plus a range of security protocols and procedures. SEStran has achieved Cyber Essentials Plus accreditation, however any specific cyber risks will have a target score of low.
Governance	Low	Low	SEStran has a low appetite in relation to governance and decision making. The partnership's governance arrangements are detailed in the Governance Scheme. No officer or member may knowingly take or recommend decisions or actions which breach legislation.
Specific Operational	Low	Medium	SEStran has a low to medium appetite in relation to specific operational risks. The Partnership Director and Management Team are expected to design, implement and maintain appropriate programme, project management and governance controls to manage these risks.
External (Suppliers/contractors/partnerships)	Low	Medium	SEStran has a low to medium appetite in relation to external risks. The appetite will vary depending on the criticality of the service or third-party support. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks.
Legal and Regulatory	Low	Low	SEStran aims to fully comply with all applicable regulatory and legislative requirements. No officer or member may knowingly take or recommend decisions or actions which breach the law.
People	Low	Low	SEStran recognises that accidents can occur because of unknown and/or unplanned events and has an appetite to fully comply with all relevant health and safety requirements to minimise any health and safety risks that could potentially result in loss of life or injury.
New Project Income	Medium	High	SEStran has a medium to high appetite in relation to attracting new projects to enable innovation and attract new funding streams. SEStran has an established procurement process, supported by the Contract Standing Orders and use of Public Contract Scotland frameworks. Financial risk is set out in SEStran's Governance Scheme.

PROJECTS AND STRATEGY PERFORMANCE REPORT

1 INTRODUCTION

- 1.1 This report updates the Committee on the performance of the Partnership's strategy and project workstreams in Quarter 4 of 2025/26. An earlier version of this report was presented to the Project and Strategy Delivery Oversight Subgroup at its last meeting in April.

2 PROJECTS AND STRATEGY QUARTER 4 REPORT

- 2.1 Appendix 1 gives a breakdown of progress of each project within quarter 4, including against budget and milestones. A project risk register and issues log is also kept and reported to the Project and Strategy Delivery Oversight Subgroup.
- 2.2 Most projects are on course to utilise the full budget by the end of 2025/26. In addition to previously reported underspend, it is anticipated that final outturns will see a further underspend on around £35,000. The majority of this is in the Transport to Healthcare and Regional Bus Strategy projects, as well as smaller values across several other projects. The reasons for these underspends are consultancy and design costs coming in at less than budgeted for.
- 2.4 Some key project and strategy updates over the quarter include:
- 2.4.1 Officers have worked with consultancy Systra to develop an action plan for the Regional Bus Strategy, to be shared with authorities, operators and Transport Scotland, to confirm prioritisation and first actions to progress. More recently, the first SEStran Regional Bus Board was held to review this and agree which actions should be taken forward in 2026/27.
- 2.4.2 For Transport to Health (TtH), the draft Case for Change report has been completed and reviewed. This has involved gathering and incorporating feedback internally and from Health Boards. The findings from the Case for Change were presented to the Learning Network in March. The Case for Change provides a strong overview on current challenges and opportunities in the region to help us develop an associated Strategy.
- 2.4.3
- The consultants working on SEStran project have largely completed all the technical analysis work associated with Stage One of the Strategic Business Case. This has included an in-depth analysis of the 2021 census data, and a review of future demand associated with economic growth developments. The Strategic Context Final Report was also completed, which will form a significant element of the Case for Investment report that will be completed at the end of Stage One. In addition to the technical work, the following tasks have been completed:
 - The Project Board has been established and the first meeting was held on 29th April.

- An application has been submitted to Transport Scotland for funding in 2026/27 towards the completion of the Strategic Business Case.

2.4.4 For work on freight, the SCOT-ZED project team has carried out 21 interviews with stakeholders in the region which will support second work package focusing on understanding the current system. Following on from these interviews, the project team ran three workshops focused on co-designing future pathways. The workshops had a range of local authority contacts, operators, and other stakeholders with an awareness of the industry's requirements. The latter part of the workshop looked to map out solutions to support a more sustainable and diverse workforce for the HDV sector going forward. These findings, alongside the other work packages, will be analysed and disseminated by the researchers to develop recommendations for SEStran and other stakeholders to take forward. The project team presented the project at the All Energy Conference on 13th May in Glasgow alongside other SCOT-ZED projects. The project team also visited Edinburgh in May to finalise results and meet with industry stakeholders. Next steps for this project are currently being assessed, with the potential for further funding in 2026/27.

2.5 People and Place

2.5.1 The 2025/26 People and Place programme was delivered on time and on budget, with the full grant award drawn down from Transport Scotland and spent delivering impactful projects across the region. As in 2024/25, some limited carryover has been allowed for projects that align with the school term, allowing uninterrupted delivery for them until 30th June 2026. The full year evaluation report will be presented to the Board at its next meeting.

2.5.2 Several case studies have been prepared in the past few months, including written examples as well as three videos to showcase a small selection of the projects we have funded – these can be seen here: <https://sestran.gov.uk/casestudies/>. The key project progress under the 5 themes in quarter 4 (plus access to cycles and the community grant fund) has been as follows:

2.5.3 As part of our **access to cycles** programme, cycle storage schemes across most LAs are largely completed for workplaces, residential and school sites. Midlothian Council have cycle storage now installed in 4 community locations. The Cycle Access Fund run by Cycling UK continued, working with 11 new organisations to support repair and recycling organisations in Q4 and distributing the full allocation of grant awards across the region. Transition St Andrews community project delivery has enabled 381 bikes to be repaired, 141 bikes loaned at low cost, and clear increases in confidence and likelihood to cycle. Cargo bikes are now in practical use by University Estates teams and students, reducing reliance on vans, while joint work with Police Scotland has improved cycle safety awareness. In Clackmannanshire, 2 new adaptive bikes were purchased for use in community settings and 6 new bikes and accessories were purchased for employability client referrals.

2.5.4 With **schools and young people**, FEL and Linlithgow Community Development Trust delivered 6 bike maintenance sessions, a newly-established after-school bike

club (Bridgend), 7 Healthy Minds sessions, 6 independent travel skills sessions, 15 led rides and walks and 5 route planning sessions. The Bike Buddies programme continues to support young people; 10 bikes are out on loan within the community. FEL supported the delivery of over 300 sessions in Falkirk and Clackmannanshire school hubs, with over 2,500 pupils engaged with. Following the successful completion of delivery in Falkirk, the Bike Buddies programme has now begun in Clackmannanshire. Significant progress has also been made on practical skills and employability development. The Clackmannanshire Bike Repair Shop, hosted at Forth Valley College, is nearing launch, with pupils identified to run the service under FEL supervision. The I Bike project continues, with a total of 232 active travel activities delivered recording 3646 pupil engagements. In Edinburgh, Bike4ever training reached three secondary schools and additional support needs schools, supported by new bikes and helmets and a schools bike maintenance project supported the servicing of 900 bikes. In East Lothian, the Outdoor Education team have delivered the majority of the learn to ride sessions in primary schools, with an extension to continue this delivery to the end of the academic year. In the Scottish Borders, the RIDONKULOUS Behaviour Change Campaign in Hawick has expanded through community and school engagement, new events, and promotion of the Active Travel Network, including successful mass participation and parkrun-linked activity.

2.5.5 Under the **accessibility and inclusion** theme a wide range of projects have been progressed in Q4. In East Lothian, a package of dropped kerb improvements was completed, focused on wheelchair users around two key areas. Quote from a resident: "Thank you so much for these being done, it has made a huge difference to me, and now allows me to get to school, Tesco and the doctors in my wheelchair." City of Edinburgh Council continues to support social prescribing walks and these have been well attended. Midlothian Council delivered 3 x community active travel engagement sessions. In West Lothian, a 'Steps Together' Health Walk for the residents of Boghall took place, over 15 people attended with an age range of 5-70. These are now run monthly and attendance continues to grow. FEL has continued the delivery of a community e-bike library with growth across Q4. FEL have seen an increase in referrals from NHS rheumatology with interest in developing and continuing the project. Transition St Andrews supported community based bike repair and continued low cost community bike loans. They also delivered an active travel event attracting 450 attendees and updated and distributed 5000 smarter travel maps.

2.5.6 Under the **workplaces** theme, Clackmannanshire Council purchased 6 new bikes and accessories for employability client referrals. This cross-department initiative is in its 2nd year and is pivotal in allowing people to access interviews or accept employment. At the Bioquarter, support has continued for monthly Bike Doctor sessions, regular seasonal nature walks, and a car sharing review enabling staff to trial MobilityWays, resulting in new groups and members. Activity also included travel information drop ins, liaison with bus operators, attendance at site meetings on parking, completion of the 2026 Travel Plan, cycle skills and 1-2-1 training, a StoryMap hub, and a cycle hire feasibility study informing 2026/27 delivery. Forth Valley College achieved the Walking Scotland Walk at Work Award, recognising the College's ongoing commitment to promoting walking within the workplace.

Midlothian Council have continued to offer staff walks, have expanded the e-bike offer for staff, with e-bike lockers installed for travel between council sites.

- 2.5.7 Work around **capacity and capability** building has included the delivery of a Local Authority shared learning event in January. The events brought together local authorities to discuss potential areas of collaboration and forward planning for the 2026/27 programme. The behaviour change strategy officer has progressed work with West Lothian Council with a final report due by end of June. Additional meetings were carried out with Local Authorities to support them with the development of their 2026/27 project proposals, which were also reviewed internally. Recruitment process to increase internal capacity was started and will be finalised in April 2026. The team also attended and contributed to Local Authority active travel forums. Urban Foresight successfully carried out 1-1 meetings with a number of funded organisations to collect stories of change capturing lived experience of impact. This will be fully analysed and integrated into the Programme Evaluation report.
- 2.5.8 On **sustainable transport** projects, as part of Travel Know How NHS Fife and NHS Borders have set up a CalCommmuter platform to support the collection of travel planning data and 166 personalised commute plans have been issued at Fife College. ComoUK installed the pop-up hub in Haddington from January through to March. The hub provided the opportunity for engagement, surveys and community outreach alongside active travel activities with local partners such as CyclingUK, Ageing Well East Lothian and Haddington Bikes. Also in East Lothian, Journey Hub placemaking improvements have been agreed and delivered covering multiple sites. CEC continued their promotional work with Enterprise Car Club with membership expected to grow. In Fife, promotion has continued of DRT bus services, including two bus wraps in west Fife. Penicuik Precinct and Glencorse Centre modal hubs were installed throughout March. Also in Midlothian, new home packs with bus day passes, maps and active travel information have been prepared for distribution.
- 2.5.9 The 15 funded **community projects** are delivering a range of activities across the region, with a good mix of support for walking and cycling initiatives. LCDT continued community engagement through school partnerships and off site cycling activities. Cycle Kitchen sessions were delivered, alongside targeted maintenance training for young people. At Bikes for Refugees 69 bikes were refurbished and distributed and 34 bike fixing sessions were delivered. North Edinburgh Arts increased their delivery of led rides and have delivered a range of training courses for walking and cycling activities to increase capacity and widen their offer. CLEAR Buckhaven has delivered 'Work-It' placements, providing training opportunities for Levenmouth Academy pupils who are struggling in a mainstream educational environment. The bike workshop proved a good learning environment for them to develop skills and confidence. Shrub delivered bike diy workshops, sessions for underrepresented groups and supported wheelchair repairs. At Porty Community Energy, the bike library had a strong year of delivery, with 440 hires and 1100 user days. Equal Footing continued access audits and drop kerb mapping, and new adapted cycles were commissioned. Parents for Future Scotland had educational packs completed by seven schools and supported the trial of several walking and

cycling buses. Bridgend Farmhouse have strengthened their skills development programme by introducing a four level structured placement model for young people in the Bike Barn, improving learning outcomes and progression.

- 2.5.10 Planning to 2026/27 People and Place has been complicated by a late reduction in the revenue funding element of the programme by 60%, or about £1.3million. As this is still be worked through at the time of writing this paper, a verbal update on progress will be provided later on this agenda.

3 COMMUNICATIONS AND MARKETING UPDATE

3.1 Communications and marketing achievements include:

- A four-week digital ad campaign promoting Thistle Assistance cards – leading to almost 600 new app downloads.
- Completing the print and distribution procurement process for Thistle Assistance for the next three years.
- Following procurement, working with a film company to produce three more video case studies of projects we have funded through our People and Place programme.
- Entering and being shortlisted in two categories for the Scottish Transport Awards – Best Practice in Transport Planning and Transport Planning Authority of the Year.
- Three monthly newsletters published
- Various blog posts and factsheets produced
- People and Place newsletter published
- Regular posts on LinkedIn, leading to increased engagement and followers.

4 RECOMMENDATIONS

- 4.1 The Committee is asked to note the contents of this report

Michael Melton

Programme Manager

5th June 2026

Appendix 1: 2025/26 Q4 Projects and Strategy Report

Policy Implications	Outlined project work contributes to the objectives identified within the SEStran Regional Transport Strategy.
Financial Implications	All project work is delivered within confirmed budgets.
Equalities Implications	There are no adverse equalities implications arising from SEStran projects. Several projects actively work to reduce inequalities.
Climate Change Implications	There are no negative climate change implications arising from SEStran projects. Several projects actively work to tackle climate change through the creation of, or support for more sustainable transport options.

Budget	Income	Expenditure	SEStran Spend
Original Budget	£70,500.00	£534,500.00	£464,000.00
Current Budget	£33,500.00	£307,483.43	£273,983.43
Current Actual	£0.00	£232,068.59	
Current Remaining	£33,500.00	£77,894.84	
Predicted Future Spend	£33,500.00	£40,379.47	
Predicted total spend	£33,500.00	£272,448.06	£238,948.06
Predicted Variance	£0.00	£35,035.37	£35,035.37

	Count	Current Exp Budget	% Exp Budget
Major Delay	0	£0	0.0%
Minor Delay	1	£56,921	18.5%
On Target	9	£215,063	69.9%
Underspend >£5k	2	£107,443	34.9%
Underspend <£5k	4	£125,040	40.7%
On Budget	8	£75,000	24.4%
Overspend <£5k	0	£0	0.0%
Overspend >£5k	0	£0	0.0%
Total	14	£307,483	

Projects Programme and Financial Summary

Project	Finance Status	Change Since Last Quarter	Programme Status	Change Since Last Quarter	Current Inc Budget	Current Inc Prediction	Current Inc Variance	Current Exp Budget	Current Exp Prediction	Current Exp Remaining	Current Exp Variance
Multi Modal Interchanges	On Budget	↔	On Hold	↔	£0	£0	£0	£0	£0	£0	£0
Freight Strategy Delivery	On Budget	↔	On Target	↔	£0	£0	£0	£0	£0	£0	£0
Regional Cycle Network	On Budget	↔	On Target	↔	£0	£0	£0	£0	£0	£0	£0
RTPI & Ticketing	On Budget	↔	On Target	↔	£9,500	£9,500	£0	£19,500	£19,604	£-104	£-104
Regional Bus Strategy	Underspend >£5k	↓	Minor Delay	↔	£0	£0	£0	£56,921	£53,575	£25,252	£3,345
RTS Delivery Plan	On Budget	↔	On Hold	↔	£0	£0	£0	£22,000	£18,775	£6,225	£3,225
SEStran at Twenty	Underspend <£5k	↔	On Target	↔	£0	£0	£0	£40,000	£35,746	£4,254	£4,254
Rail Strategy	On Budget	↔	On Hold	↔	£0	£0	£0	£13,500	£13,500	£13,500	£0
Data Strategy	On Budget	↔	On Hold	↔	£0	£0	£0	£0	£0	£0	£0
Thistle Assistance	Underspend <£5k	↓	On Target	↔	£24,000	£24,000	£0	£62,531	£59,105	£3,588	£3,426
Transport to Health Strategy	Underspend >£5k	↓	On Target	↔	£0	£0	£0	£50,523	£36,240	£16,762	£14,282
Regional Bike Share	Underspend <£5k	↔	On Target	↔	£0	£0	£0	£12,509	£10,032	£4,288	£2,477
Sustainable Travel Awareness	Underspend <£5k	↔	On Target	↔	£0	£0	£0	£10,000	£6,599	£3,401	£3,401
Project Consultancy Support	On Budget	↔	On Target	↔	£0	£0	£0	£20,000	£19,272	£728	£728
Total					£33,500	£33,500	£0	£307,483	£272,448	£77,895	£35,035

Project Name	Thistle Assistance
Current Exp Budget	£62,531
Project Code	92077
SEStran Lead	Sandra Lavergne
SEStran Manager	Michael Melton
Project Partners	All RTPs
Lead Partner	SEStran
Last Updated	31/03/2026

Finance Status
Underspend <£5k
Programme Status
On Target

Budget	Income	Expenditure	SEStran Spend
Original Budget	£24,000.00	£32,000.00	£8,000.00
Current Budget	£24,000.00	£62,531.00	£38,531.00
Current Actual	£0.00	£58,943.49	
Current Remaining	£24,000.00	£3,587.51	
Predicted Future Spend	£24,000.00	£161.60	
Predicted total spend	£24,000.00	£59,105.09	£35,105.09
Predicted Variance	£0.00	£3,425.91	£3,425.91

37050	Milestone Status	Count	Percentage
42050	On Track	0	0%
£43,590.00	Delayed	2	10%
	Overdue	0	0%
42815	Complete	18	90%
61756	Source of Any Income: Other RTPs		
-£775.00			

Project Summary
Thistle Assistance (card and app) is a national scheme that provides support to users that may face additional barriers to access public transport. It eases the communication between users and transport staff to make the experience more accessible and enjoyable.

RTS Actions	Project Objectives	Project Outcomes
Deliver improved public transport information in a variety of formats, supported by appropriate wayfinding infrastructure on the transport network,	Increase distribution of the Thistle Assistance programme Raise awareness of the scheme nationally and locally Increase engagement with transport providers	Improve the journey experience in public transport for people with disabilities and mobility challenges. Improve feeling of safety for people with disability and mobility challenges when taking public transport. Contribute to making public transport seen as more accessible by people with disability and mobility challenges, Thistle Assistance embedded into transport providers' staff induction and training programme.

Q1 Project Progress and RAG status update	Q1 Objectives & RTS Actions Progress
The digital campaign delivered with Republic of Media ran for 6 weeks and was completed at the end of April 2025. The learning will help shape the next campaign, which is aimed to be delivered from September/October for 2 to 3 months, budget dependent. This campaign has been shortlisted as part of the National Transport Awards in the Campaign of the year category. Winners will be announced in October 2025. 5,000 cards / leaflets were ordered from current supplier to meet high demand during promotional campaign. All RTPs have been contacted to share highlights of 24/25. Meeting held with TS on 28/05/2025 to discuss progress to date. Printing and card distribution supplier appointed.	The digital campaign has been extremely successful and has contributed to increasing awareness of the scheme as well as increasing its uptake; it saw a total of 3,376 cards requested (up 2,477%) requested and 1,784 apps downloaded (up 5,147%). The project plan has been revised based on the lessons learned from the campaign and previous initiatives.

Q2 Project Progress and RAG status update	Q2 Objectives & RTS Actions Progress
Minor amendments have been made on the card request form based on Lessons learnt. Further development work is currently being undertaken to collect personal information from card requests and app. This will be finalised by the end of October, after which the next campaign will be taking place (from November). Privacy notice being updated. Procurement exercise started to appoint a media agency for future promotional campaigns. Progress on stakeholder engagement: met with TS and all the RTPs for progress update. Transport operators survey distributed.	Update of the privacy policy and amendment on the types of personal data collected in line with data policies will enable: - distribution of future surveys directed at existing users - collection of additional user data Collection and analysis of this information from both card and app usage, will lead to a better understanding of the current audience of the scheme, and potential gaps, as well as use and impact of the scheme in the overall passenger experience. Transport operators survey will provide a more robust baseline on current awareness and engagement with the scheme by the operators.

Q3 Project Progress and RAG status update	Q3 Objectives & RTS Actions Progress
The Thistle Assistance digital campaign was Highly Commended as part of the National Transport Awards 2025. New dashboard and development works on the request a card / app to capture personal data of users were finalised early November. Procurement exercise has been carried out for a media agency (work will include TA campaigns). New digital campaign has been carried out for 4 weeks replicating previous successful campaign. A total of 1,171 cards have been requested. Uptake on transport operator survey remains low; identified opportunities to work with CPT to increase uptake, which will take place in Jan. Initial chat on card printing and distribution procurement done.	With the new 'Request a card' / App format allowing for collection of personal information, we will aim to distribute a follow-up survey in Q4, targeting existing users, to better understand usage of the scheme and potential impact on journey experience. This milestone has been pushed to Q4 to allow enough time for people to reflect on usage of the card/app. Results from the transport operator survey will help shape future engagement initiatives to ensure that the scheme is widely known and understood by operators. This is delayed due to a low uptake.

Q4 Project Progress and RAG status update	Q4 Objectives & RTS Actions Progress
Presentation delivered at a CPT Bus Executive meeting in January which has resulted in positive engagement with both Lothian Buses and First Bus. A significant issue related to the app not being available on Google store has now been resolved. Additional budget available to deliver another digital campaign, focusing on the app instead of card uptake. The campaign ran for 4 weeks (between mid Feb to mid March 2026). Procurement exercise finalised for the distribution and printing of cards for 3 years - contract to start in April 2026. Held RTP meeting providing updates and budget information.	A high level plan for 26/27 has been developed and includes a key element on the evaluation of the scheme for Q1 and Q2 - exact scope still to be discussed. It was decided to remove the delivery of the user survey for 25/26 and the transport operator survey, to include this in the Evaluation work for 26/27. This will help us identify if and how the scheme meets our objectives, as well as identify any areas for improvement.

Milestones					
Name	Due Date	Revised Date	Completed Date	Status	Last Updated
App quarterly maintenance Q1	30/06/25		05/05/25	Complete	05/05/25
Printing brief circulated to 3 potential suppliers	01/06/25		08/05/25	Complete	08/05/25
Printing supplier appointed	30/06/25		09/06/25	Complete	09/06/25
Provide key updates to the Board	20/06/25		20/06/25	Complete	20/06/25
POD laying out plans for 25/26 approved and signed off	30/09/25		01/08/25	Complete	01/08/25
First RTP Thistle Assistance meeting	30/09/25		01/09/25	Complete	01/09/25
Update privacy policy prior to any new marketing initiative	30/09/25		30/09/25	Complete	30/09/25
App quarterly maintenance Q2	30/09/25		03/07/25	Complete	30/07/25
Update card request form prior to any new marketing initiative	30/09/25	10/11/25	10/11/25	Complete	10/11/25
Plan next digital marketing campaign	30/09/25	31/10/25	30/10/25	Complete	30/10/25
Transport operator survey created and distributed	30/09/25		25/09/25	Complete	25/09/25
App quarterly maintenance Q3	19/12/25		01/10/25	Complete	30/10/25
Results from transport operator survey collected and analysed	19/12/25	31/03/26	31/03/26	Complete	31/03/26
Digital marketing campaign done	19/12/25		12/12/25	Complete	19/12/25
User survey created and distributed	19/12/25	30/09/26		Delayed	31/03/26
Procurement exercise started to appoint a printer/distributor on a multi-year contract	19/12/25		19/12/25	Complete	19/12/25
App quarterly maintenance Q4	31/03/26		05/01/26	Complete	05/01/26
User survey analysed	31/03/26	30/10/26		Delayed	31/03/26
High level project plan for 26/27 based on all data collected and recommendations	31/03/26		28/02/26	Complete	28/02/26
Procurement exercise finalised with a supplier appointed	31/03/26		25/03/26	Complete	25/03/26

PaSDOS AND FUTURE REPORTING

1 INTRODUCTION

- 1.1 This paper updates the Committee on discussions around the future role of the Project and Strategy Delivery Oversight Subgroup (PaSDOS) and future reporting resulting from this and the 2026/27 Business Plan.

2 PaSDOS

- 2.1 PaSDOS was established in early 2025 to strengthen governance, oversight, and strategic alignment of SEStran's project delivery, ensuring that projects are effectively scrutinised, coordinated, and delivered in line with the Regional Transport Strategy and business plan priorities.
- 2.2 As the group had been in place for 12 months, it was felt timely to review their terms of reference (ToRs) and overall function, which the group did in an additional meeting on 6th March 2026. Subsequent to this the terms of reference were redrafted and agreed, subject to final amendments, by the Subgroup at their last meeting on 24th April 2026. The final draft is attached as appendix 1.
- 2.3 Key changes proposed to the ToRs are as follows:
- The scrutiny/audit function of existing projects to be passed back to this Committee – this will include the project dashboard report and risk register in a more streamlined format
 - Instead of reporting to this Committee, PaSDOS will instead report to Board and provide advice and guidance on project delivery alignment with overall strategy (as strategic direction is a core remit of the Board)
 - In doing this, PaSDOS will be reframed around ensuring project delivery against the RTS and national strategies
 - A core role will be to support development of the business plan for the next year and evaluation of the previous year's business plan
 - The group will continue to support ongoing project development with meetings focusing on specific projects, with project leads attending and discussion focused around the groups input on specific project challenges and project development
 - As part of the business plan process, the group will set a 'work plan' for the year based on the milestones within the business plan – this will include setting meeting dates that align with project development to facilitate the above role
 - Membership will look to increase to up to 7 with an ongoing focus on the right skills mix to support the role of the committee
- 2.4 Following discussion at this Committee, it is proposed that this revised remit is taken to the Board for approval.

3 BUSINESS PLAN 2026/27 AND PROGRAMMATIC APPROACH

3.1 The final Business Plan is attached at appendix 2. The 2026/27 Business Plan sets out a programme-led delivery model to implement the Regional Transport Strategy (RTS), aligning transport investment with national priorities, regional economic ambitions, and local authority outcomes. Collectively, the portfolio is designed to improve everyday journeys, expand access to opportunity, and support long-term regional prosperity and wellbeing. The plan is built around six core programmes, forming a coherent and mutually reinforcing portfolio:

- People and Place
- Regional Bus Action Plan
- Transport to Health
- Transport to Employment
- Regional Transport Strategy Delivery Plan
- SEStransit (mass transit programme)

3.2 The 2026/27 Business Plan adopts a fully programmatic approach, moving away from the previous model of delivering numerous, often discrete projects. Instead of funding individually scoped interventions with some coordination, delivery is now structured around a small number of strategic programmes that group related activities, align partners, and manage delivery collectively at a regional level. This enables improved prioritisation, stronger governance and oversight, and a clearer line of sight from investment to outcomes.

4 PROPOSED 2026/27 PROGRAMME REPORTING

4.1 Further to the above, it is proposed that programme reporting for 2026/27 take a different format than in previous years, both to reflect the change in approach and to ensure it has the easily accessible information it needs to scrutinise this new approach.

4.2 As such, it is proposed that future reporting to this Committee is as follows:

- A quarterly update focusing in the progress of each programme, consisting of a dashboard overview for each project giving high level updates since the last meeting plus progress to milestones. Whilst this will include some budget information, the separate budget report will be the main source of reporting and scrutiny for the project budget.
- A six monthly report on projects risks and issues, to alternate with the existing corporate risk report.

5 RECOMMENDATIONS

5.1 The Committee is asked to:

- approve the proposed changes set out in section 2, subject to approval from the Partnership Board, and
- note and comment on sections 3 and 4.

Michael Melton

Programme Manager

5th June 2026

Appendix 1: Final Draft PaSDOS Terms of Reference

Appendix 2: SEStran Business Plan 2026/27

Policy Implications	Outlined project work contributes to the objectives identified within the SEStran Regional Transport Strategy.
Financial Implications	All project work is delivered within confirmed budgets.
Equalities Implications	There are no adverse equalities implications arising from SEStran projects. Several projects actively work to reduce inequalities.
Climate Change Implications	There are no negative climate change implications arising from SEStran projects. Several projects actively work to tackle climate change through the creation of, or support for more sustainable transport options.

SEStran Project and Strategy Delivery Oversight Subgroup (PaSDOS) Terms of Reference

Version History

<i>Version</i>	<i>Approved Date</i>	<i>Approved By</i>	<i>Notes</i>
1	24/04/2025	PaSDOS	First issue
2			Revisions as follows: <ul style="list-style-type: none"> • Subgroup to report to Partnership Board and not P&A Committee • Clarity on Subgroup size • Meeting schedule to be agreed by the Subgroup rather than quarterly • Remit and reports section revised in full

Title

The subgroup shall be called the Project and Strategy Delivery Oversight Subgroup (PaSDOS)

Purpose

PaSDOS is a Subgroup of the Partnership Board. The Subgroup will provide advice and guidance on project and strategy delivery alignment with the Regional Transport Strategy, any other relevant strategy, and individual Business Plans on behalf of the Partnership Board. It will also advise on relative priority of workstreams, value for money, and the management and control of project and strategy work.

Membership

Membership of the Subgroup shall be made up of at least two Councillor Members and two non-Councillor Members. Membership will be by invitation, at the direction of the Partnership Chair, in order that Members with specific skillsets can be targeted. These skillsets may include audit, accounts, programme or project management, change management, risk management or legal knowledge. Membership will be reviewed on an annual basis to ensure that the membership of the Committee is aligned with annual Business Plans.

The minimum membership of the Subgroup is five members, with a maximum of eight members.

Chair

The Chair will be elected by Members at the first meeting for the Subgroup, and thereafter if the Chair becomes vacant at the following Subgroup meeting.

Meetings

There will be a minimum of four meetings per year, with scheduling agreed for each financial year in advance based on the agreed annual workplan.

Papers will be issued one week in advance of the meeting via email.

The secretariat will be provided by SEStran.

The quorum for meetings shall be a minimum of three members. If this cannot be reached, the meeting should be rearranged for an alternative time when the quorum can be met.

Officer Attendance

The Senior Partnership Manager, Strategy Manager, and Programme Manager will normally attend meetings of the Subgroup. Depending on items on the agenda, the Partnership Director will attend, as will other SEStran officers where items for discussion will benefit from their input and support.

Governance

The names of the attendees present at the meeting will be recorded in the minute of the meeting. The names of other persons in attendance will also be recorded.

SEStran will appoint an employee to prepare the minutes.

The agenda will be drawn up by partnership officers and discussed with the Chair. Items can be suggested by other Members.

Minutes will be presented to the Partnership Board.

The Subgroup will operate on the basis of consensus. In the event of an issue arising on which consensus cannot be achieved, the matter will be reported to the Partnership Board for a view.

All Members appreciate that some of the information discussed at the Subgroup will be confidential in nature, and by participating agree to comply with any requirement for confidentiality advised by the Chair.

Delegated Authority

The forum has the delegated authority from the Partnership Board to discuss and consider any matters within its remit.

Remit

The Subgroup acts on behalf of the Board to provide advice and guidance on project and strategy delivery alignment with the Regional Transport Strategy, any other relevant strategy, and individual Business Plans. To perform this function, the Subgroup will:

- Support in the process of the development of the next year's Business Plan, including through the review of Project Initiation Documents and the setting of objectives, outcomes, milestones and deliverables.

- Support the evaluation of the current and previous year's Business Plan(s), including through the review of project closure reports and lessons learned, and through review of progress against set outcomes and RTS objectives
- Support ongoing (in year) project development, with project leads attending and discussion focused around the groups input on specific project challenges and project development
- Review and advise on relative priority of workstreams, the development of value for money measures, and the management and control of project and strategy work.

In order to fulfil this function, the Subgroup will agree an annual workplan for each financial year, based on the content of the Business Plan, which should set out:

- Dates for meetings for the year
- The main focus for each meeting

The Subgroup will report to the Partnership Board by exception only where this has been agreed within a meeting. This will take the form of a verbal report from the Subgroup Chair (or other nominated Member) or a written report produced by SEStran Officers as directed by the Subgroup. In addition, all Subgroup minutes will be reported to the subsequent Partnership Board.

For the avoidance of doubt, the remit of this group does not replace the Partnership Director's operational responsibilities as set out in the Partnership's Standing Orders.



SEStran 2026/27 Business Plan

We are the South East of Scotland Transport Partnership (SEStran). We are a partnership of eight local authorities, working collaboratively with each other, and with government, transport and infrastructure operators, businesses and communities across our region to revolutionise our transport system by delivering the Regional Transport Strategy (RTS).

This business plan outlines six key programmes designed to deliver key planks of the RTS. These programmes will enhance transport connectivity, accessibility, and sustainability across the region. Each programme is summarised below, with intended outcomes and objectives clearly stated to demonstrate our strategic approach to improving everyday journeys, supporting local communities, driving economic growth and fostering social wellbeing.

- **People and Place programme (P&P):** We know that car use has a number of significant negative consequences, including emissions that add to climate change, deaths and injuries through road collisions, illness and fatalities caused by pollution, major loss of economic productivity through congestion, and negative impacts on people's physical and mental health and wellbeing. P&P supports delivery partners to encourage people to replace car journeys with active and sustainable travel for daily journeys, with particular emphasis on schools, workplaces, inclusion, accessibility and building local capacity.
- **Regional Bus Action Plan (RBAP):** Across the region, more journeys are made by bus than by any other form of public transport, but bus use has been falling consistently for a number of years. Tackling this and encouraging people to use the bus instead of driving will be essential to reducing the negative impacts of car use. The Regional Bus Strategy sets out a shared vision to deliver the regular, reliable and affordable bus services that people tell us are essential to persuading them to make the switch. These improved bus services will also allow people in communities across the region to access jobs, education, healthcare and leisure activities. Informed by extensive public feedback, the strategy drives improvements in service quality, fares, ticketing, information and governance, with objectives focused on enhancing connectivity, affordability, and overall service standards.
- **Transport to Health (TtH):** Imagine not being able to access essential healthcare appointments simply due to a lack of transport options. This is reality for many people, and it can contribute to people becoming increasingly unwell before they receive care, and additional costs and lost capacity for healthcare services through missed appointments. Working closely with health boards and partners, this programme seeks to remove the transport barriers that prevent people from accessing the healthcare they need, when and where they need it. The programme will improve health outcomes for people across the region, enhance patient experiences, create operational efficiencies and cost savings across NHS Primary Care activities, and improve integration with other transport services.
- **Transport to Employment (TtE):** Many factors contribute to child poverty, which the First Minister of Scotland has pledged to eradicate. These include a lack of transport options for parents to reach the jobs, education or training they need to increase household income. This programme will deliver a number of targeted interventions, in partnership with local authorities and third sector organisations, which aim to reduce child poverty by supporting employment and education opportunities. The programme focuses on increasing employment and training rates, lowering transport costs, and supporting integrated ticketing and bus network enhancements.

- **Regional Transport Strategy Delivery Plan:** Guided by the 'Infrastructure First' principles set out in National Planning Framework 4 and the objectives of the Regional Transport Strategy, the Regional Transport Strategy Delivery Plan will define the medium- to long-term transport interventions required to maximise the region's economic ambitions, as articulated in the Regional Prosperity Framework and partner economic strategies. The Delivery Plan will be developed in close alignment with emerging regional land use planning, ensuring that future transport investment supports the safe, sustainable and efficient movement of people and freight across the region, and provides the foundations for inclusive and sustainable economic growth
- **SEStransit:** A lack of transport options to get people to jobs, healthcare, education or leisure, and the congestion caused by car use, are both already significant problems throughout much of the region. Southeast Scotland is the fastest growing part of Scotland, with the 3 fastest growing local authorities, so these problems will become much worse unless we can significantly improve the transport network over the next few years. SEStransit is the working name for a Mass Transit programme that will deliver many of the improvements targeted by the RTS and a key theme of the Regional Transport Strategy Delivery Plan. It is committed to providing faster, greener and more reliable transport connections. The initiative will develop integrated, high-capacity and sustainable mobility solutions, enabling seamless travel across the region and improving access to strategic housing, employment, health and education sites.

In addition to the exciting programme portfolio, we will continue to manage and deliver two pieces of ongoing operational work – each of which underpins key facets of our vision.

- **Thistle Assistance and Realtime Passenger Information (RTPI):** Thistle Assistance provides support to people who find using public challenging, and we manage this initiative on behalf of all RTPs across Scotland. The scheme has exceeded all expectations in 2025/26, with usage ballooning from previous levels due to the excellent efforts of the team. And we continue to support the rollout of RTPI screens across the region. These play a crucial role in journey planning and in improving the perception of safety when using public transport – because people know exactly when a bus will arrive at their stop.

Complementing all of our work, our communications and marketing strategy includes a refreshed SEStran website, designed to increase engagement and provide accessible information for all users. Together, these efforts form a comprehensive business plan aimed at delivering effective transport solutions and supporting the region's long-term growth and prosperity.

Contents

Contents	4
Introduction	5
How we will deliver regional impact.....	6
How we will deliver local impact.....	9
City of Edinburgh Council	9
Clackmannanshire.....	10
East Lothian Council	11
Falkirk Council.....	12
Fife Council	13
Midlothian.....	14
Scottish Borders	15
West Lothian Council.....	16
Our 2026/27 Delivery Programmes.....	17
People and Place	18
Regional Bus Action Plan	19
Transport to Employment	20
Transport to Health.....	21
Regional Transport Strategy Delivery Plan	22
SEStransit	23
Our 2026/27 Delivery Programme.....	24
Appendix 1 – Core Delivery Programmes	25
Appendix 2 – Cross Portfolio Delivery Areas	45
Appendix 3 - Our governance	48

Introduction

This is an incredibly exciting period for SEStran.

On 28 November 2025, at the State of the City Conference in Glasgow, the First Minister in his [speech](#) indicated his administration's intention to introduce enabling legislation to allow regional partnerships to seek legal status, unlock new powers, and design delivery models tailored to local priorities.

The details have yet to be worked out but – when considered together with Transport Scotland's impending review of the split of responsibilities between national, regional and local levels – it presents a generational opportunity to align economic development, land use planning and transport to drive economic growth.

And SEStran will be in the middle of these discussions.

We will work with the economic partnerships, growth deals and local authorities in our region to outline and define the crucial role of transport in enabling and driving economic growth and land use planning in our region.

And we will work with Transport Scotland to build on the initiatives devolved to Regional Transport Partnerships over the past few years, such as the People and Place active travel behaviour change programme, which has demonstrated that RTPs are key to tailoring national policy to suit regional circumstances.

Our project portfolio for 2026/27 is designed to support these discussions and further demonstrate the role that SEStran can play in delivering and managing a world class regional transport network.

Although the block grant received from Transport Scotland has reduced by 5% in recent years, having stayed at the same level for many years beforehand, the total level of funding we receive from TS has increased considerably over the past 3 years, taking account of the devolved initiatives, and will increase significantly again in 2026/27.

In fact, our total guaranteed external funding for 2026/27 is likely to be just under £9m - around nine times the level in 2023/24 – another demonstration of the level of confidence Transport Scotland has in us. Although the majority of this additional funding is ring-fenced for specific pieces of work, primarily People and Place and the new Transport to Employment programme, internal project team costs to support partners with the allocation and monitoring of budgets, progress monitoring and reporting are covered within this funding.

From 2026/27 forward, we will aim to deliver an increased percentage of our work in-house by upskilling our fantastic team to cover more of the initiatives that we would routinely put out to consultants. We will ensure that we can cover most of the broad range of skills that we need by developing a unique delivery programme, with development tailored to the individual needs of each member of the team. This work is already underway and will be introduced during the year.

How we will deliver regional impact

Our 2026/27 delivery programmes have been carefully selected and tailored to ensure they support the delivery of national policy outcomes and the Regional Transport Strategy. This section of our Business Plan sets out how our programmes align with the First Minister's priority for government, the National Transport Strategy, and the Regional Transport Strategy. Across all six programmes, SEStran delivers impact by removing transport barriers, supporting modal shift, and strengthening regional connectivity. This improves access to employment, health and education, reduces poverty, drives inclusive economic growth, and accelerates climate action. Investments in active travel, mass transit development, and an equitable bus network ensure the transport system becomes fairer, greener, more reliable, and more efficient.

		People and Place	Regional Bus Action Plan	Transport to Health	Transport to Employment	RTS Delivery Plan	SEStran
First Minister's Priorities	Eradicating Child Poverty	Improves access to safe, low-cost everyday travel options with a focus on inclusion and groups facing barriers to sustainable travel.	Supports affordable, reliable day-to-day mobility, reducing transport poverty and helping families reach jobs, education, childcare and essential services without needing a car.	Reduces barriers to healthcare access, helping to prevent missed appointments and supporting healthier households, reducing the pressures that can exacerbate poverty and inequality.	Explicitly focused on reducing child poverty by improving access to fair work and training for parents, and by targeting transport costs that can make employment unaffordable for them.	Strengthens a prioritised pipeline of interventions to address cross-boundary accessibility gaps, helping ensure future investment targets the places and communities where transport barriers most limit opportunity.	Supports access to strategic employment and education sites at a regional scale, improving connectivity from communities to opportunity over the medium to long term.
	Growing the Economy	Supports a shift to more efficient travel for short and medium-length trips, helping reduce congestion impacts and improving local accessibility to jobs and services.	Improves reliability, journey times and connectivity on the bus network to support workforce mobility, town centre access and productivity.	Supports economic participation by improving access to healthcare and reducing missed appointments, benefiting individuals and system efficiency.	Increases labour market participation by removing transport barriers to jobs, training and apprenticeships for parents.	Aligns transport priorities with regional economic ambitions and emerging spatial planning, helping to unlock housing and employment growth and strengthen the case for investment.	Develops the evidence and delivery pathway for high-capacity, integrated regional connections that support key economic corridors and strategic sites.
	Tackling the Climate Emergency	Drives mode shift by enabling and encouraging walking, wheeling and cycling as normal choices for everyday journeys.	Supports lower-carbon travel by making bus services more attractive through improvements to quality, affordability and reliability.	Supports a reduction in car dependency for healthcare journeys by improving integration, information and accessibility, enabling more people to reach care by sustainable modes where feasible.		Brings together the regional pathway for decarbonisation (including mass transit, active travel, interchange and supporting themes such as data/digital), helping partners coordinate delivery at scale.	Provides a major medium-to long-term decarbonisation lever by developing a high-capacity, integrated public transport network that can reduce reliance on private cars on key corridors.
	Improving Public Services	Builds capacity across local authorities, communities and third sector partners to design and deliver locally-led interventions that improve everyday journeys.	Supports more consistent, user-centred services through coordinated action on fares, ticketing, information, service standards and governance.	Supports more equitable access to care and helps reduce missed appointments by addressing journey time, affordability, accessibility and information barriers, supporting better outcomes and system efficiency.		Strengthens long-term planning, prioritisation and coordination across partners, helping public bodies align investment, reduce duplication and manage interdependencies	Strengthens long-term planning, prioritisation and coordination across partners, helping public bodies align investment, reduce duplication and manage interdependencies.

		People and Place	Regional Bus Action Plan	Transport to Health	Transport to Employment	RTS Delivery Plan	SEStransit
National Transport Strategy Objectives	Reduces inequalities <ul style="list-style-type: none"> Will provide fair access to services we need Will be easy to use for all Will be affordable for all 	Enables inclusive access to affordable, safe and accessible active travel options, specifically targeting communities and groups who face the greatest barriers to sustainable transport.	Improves affordability, reliability and spatial equity of bus services, ensuring communities across the region can access jobs, services and opportunities without reliance on private cars.	Reduces inequalities in healthcare access by addressing transport barriers that disproportionately affect older people, disabled people and those without access to a private vehicle.	Directly tackles child poverty by improving access to fair work and training opportunities, while reducing the financial burden of transport for low-income households.	Provides a region-wide framework to target investment towards areas with the greatest accessibility challenges, ensuring equitable distribution of transport improvements and future infrastructure.	Improves strategic regional connectivity, enabling communities across urban and rural areas to access employment, education and healthcare opportunities through an integrated transport system
	Takes climate action <ul style="list-style-type: none"> Will delivery our net zero target Will adapt to the effects of climate change Will promote greener, cleaner choices 	Drives sustained behaviour change by enabling walking, wheeling and cycling as the preferred option for short daily journeys, significantly reducing dependence on private car travel.	Supports modal shift by improving the quality, reliability and affordability of bus services, making public transport a more attractive and lower-carbon alternative to private cars.	Encourages more sustainable healthcare journeys by improving integration, information and accessibility, enabling patients and staff to reduce reliance on private car use where appropriate.		Establishes a coordinated regional pathway towards net zero, aligning investment in active travel, public transport and infrastructure to deliver long-term transport decarbonisation outcomes.	Delivers a high-capacity, integrated public transport system that provides a viable alternative to private car use, reducing emissions on key regional travel corridors over time.
	Helps delivery inclusive economic growth <ul style="list-style-type: none"> Will get people and goods where they need to get to Will be reliable, efficient and high quality Will use beneficial innovation 	Improves local connectivity and accessibility, enabling more efficient everyday journeys and supporting access to employment, education and essential services at a neighbourhood and community level.	Enhances workforce mobility, connectivity and reliability across the region, supporting productivity, access to labour markets and the economic vitality of town centres and key destinations.	Supports economic participation by improving access to healthcare and reducing missed appointments, helping maintain a healthier workforce and improving system efficiency across public services.	Increases labour market participation by removing transport barriers to work, apprenticeships and training, enabling more people to access and sustain fair, well-paid employment opportunities.	Aligns transport interventions with regional economic and spatial priorities, unlocking housing and employment growth while strengthening the case for coordinated long-term investment.	Strengthens regional economic corridors by delivering high-capacity, reliable connections between key population centres and strategic employment, education and development sites across South East Scotland.
	Improves our health and well being <ul style="list-style-type: none"> Will be safe and secure for all Will enable us to make healthy travel choices Will help make our communities great places to live 	Promotes physical activity and healthier lifestyles by increasing walking, wheeling and cycling, while improving local environments and reducing the negative impacts of car dependency on communities.	Improves access to essential services and social opportunities, helping reduce isolation and supporting wellbeing through a more connected, accessible and user-focused public transport system.	Improves patient outcomes and wellbeing by ensuring reliable, affordable access to healthcare, reducing missed appointments and addressing barriers faced by vulnerable populations across the region.	Enhances wellbeing by improving financial security and reducing stress associated with accessing work and training, particularly for low-income families.	Supports the creation of healthier places by integrating transport, land use and planning decisions, encouraging sustainable travel and reducing exposure to congestion and pollution.	Contributes to improved public health by reducing congestion, emissions and journey stress, while enabling more reliable and comfortable regional travel for residents and visitors alike.

		People and Place	Regional Bus Action Plan	Transport to Health	Transport to Employment	RTS Delivery Plan	SEStransit
Regional Transport Strategy Objectives	Reduces inequalities <ul style="list-style-type: none"> Will provide fair access to the services we need Will be easy to use for all Will be affordable for all 	Expands access to active and sustainable travel opportunities, focusing on inclusion and ensuring underrepresented groups can participate more fully in everyday journeys.	Delivers a more equitable regional bus network, improving connectivity and service levels to ensure consistent access to opportunities regardless of geography or income.	Addresses inequalities in access to healthcare services by removing transport barriers that prevent people reaching essential appointments and treatment across the region.	Improves access to employment and training opportunities for disadvantaged groups, supporting households to overcome transport barriers and improve long-term economic outcomes.	Identifies and prioritises interventions that address cross-boundary accessibility gaps, ensuring improvements are targeted at communities where connectivity most limits opportunity.	Provides enhanced regional connectivity to strategic sites, reducing spatial inequalities and ensuring more communities benefit from access to key destinations and services.
	Takes climate action <ul style="list-style-type: none"> Will help deliver our net zero target Will adapt to the effects of climate change Will promote greener, cleaner choices 	Enables behaviour change at scale by embedding active travel as a normal choice for everyday journeys, supporting regional objectives to reduce emissions and reliance on private cars.	Supports a shift to lower-carbon travel by improving bus reliability, affordability and customer experience, making public transport more competitive with private car use.	Reduces transport-related emissions by improving sustainable access to healthcare, enabling more people to travel by public or shared transport rather than private car.		Provides the strategic framework for coordinated regional decarbonisation, aligning transport, land use and investment decisions to deliver net zero outcomes efficiently and at scale.	Delivers a transformational shift towards high-capacity, low-carbon transport, significantly reducing private car use on key regional corridors and supporting long-term decarbonisation targets.
	Helps deliver inclusive economic growth <ul style="list-style-type: none"> Will get people and goods to where they need to be Will be reliable, efficient and high quality Will use beneficial innovation 	Improves local accessibility and connectivity, supporting participation in employment, education and community life while strengthening the economic resilience of neighbourhoods and local centres.	Strengthens regional connectivity and service reliability, supporting labour market access, business productivity and economic activity across urban, rural and cross-boundary travel patterns.	Enhances workforce productivity and participation by improving access to healthcare, reducing disruption from missed appointments and supporting a healthier, more economically active population.	Directly supports inclusive growth by increasing access to fair work and training, enabling more people to contribute to and benefit from the regional economy.	Aligns infrastructure investment with economic and spatial priorities, supporting sustainable growth and enabling housing and employment development across the region.	Enhances economic connectivity by linking key employment, housing and education sites through high-capacity public transport, supporting growth across strategic regional corridors.
	Improves our health and wellbeing <ul style="list-style-type: none"> Will be safe and secure for all Will enable us to make healthy travel choices Will help make our communities great places to live 	Improves health outcomes by embedding active travel in daily life, supporting physical and mental wellbeing and creating safer, cleaner and more attractive local environments.	Enhances wellbeing by improving access to services, reducing isolation and providing a safe, reliable and accessible public transport system for all users.	Improves health outcomes by ensuring timely, equitable access to healthcare services, reducing missed appointments and addressing transport-related barriers to care.	Supports wellbeing by reducing financial stress and improving access to employment, training and services that contribute to improved quality of life.	Promotes healthier communities by integrating sustainable transport into planning decisions, reducing pollution, congestion and barriers to active and public travel.	Improves regional health and wellbeing by reducing congestion and emissions, while providing a smoother, more reliable and accessible travel experience across the network.

How we will deliver local impact

Alongside the alignment of our programmes to national policy outcomes, they also support the delivery of local priorities for each of our 8 partner local authorities.

City of Edinburgh Council

The activities that SEStran will undertake in 2026/27 relate directly to the Priorities of the City of Edinburgh Council Business Plan 2023-2027:

Priority: Create good places to live and work in Edinburgh

- People and Place supports safer, healthier neighbourhoods by enabling more sustainable travel and reducing the negative impacts of car use.
- The Regional Bus Action Plan and Transport to Health make it easier for people to move around the city and wider region without a car - supporting access to jobs, education, healthcare and leisure.
- Transport to Employment improves access to jobs and training and targets affordability barriers that can prevent people taking up or sustaining employment.
- The RTS Delivery Plan Supports good growth and 20-minute neighbourhood delivery through alignment with land-use planning to ensure new housing/employment areas are planned with sustainable transport provision “built in”
- SEStran focuses on high-capacity, integrated regional connections to strategic housing, employment, health and education sites - supporting Edinburgh’s growth while improving reliability and reducing congestion pressures.

Priority: Take all the local actions needed to end poverty in Edinburgh

- Transport to Employment is explicitly designed to reduce child poverty by increasing access to fair, well-paid jobs and training and reducing the cost burden of travel.
- The Regional Bus Action Plan reduces transport poverty by improving affordability and service levels so people can reliably reach opportunities and essential services.
- Transport to Health tackles inequality of access to care - reducing missed appointments and improving access for people without private transport.

Priority: Work to deliver a net zero city by 2030

- People and Place drives modal shift away from car use by making active and sustainable travel more normal and accessible for everyday journeys
- The Regional Bus Action Plan encourages mode shift from car to bus by improving journey times, customer experience, and affordability—reducing car dependency and associated emissions.
- The RTS Delivery Plan (and SEStran as part of this) is a major net-zero enabler through development of an integrated transport system at a regional, reducing congestion and supporting sustainable travel to key destinations at scale.=

Clackmannanshire

The strategic objectives of Clackmannanshire Council's Wellbeing Economy Local Outcomes Improvement Plan align well with work being carried out by SEStran:

Strategic outcome: Wellbeing

- People and Place supports healthier lives by enabling more sustainable transport for everyday journeys, and by improving inclusion and accessibility for groups who face barriers to sustainable travel.
- The Regional Bus Action Plan improves access to essential services and social participation by working toward a more reliable, affordable and equitable bus network.
- Transport to Health reduces health inequalities by removing transport barriers to appointments.
- Transport to Employment supports wellbeing by helping families improve financial security and by reducing the stress and cost burden of travelling to work, training and key services.

Strategic outcome: Economy & Skills

- The Regional Bus Action Plan supports labour market access by improving reliability, fares and ticketing, and cross-boundary connectivity—helping residents reach employment, colleges and training providers without needing a car.
- Transport to Health can support the economy by improving access to healthcare sites (including as major employers) and by reducing missed appointments—helping maintain a healthier workforce and improving system efficiency.
- Transport to Employment is directly aligned to helping people access fair work, learning and training, by improving connectivity to jobs and skills pathways
- The RTS Delivery Plan strengthens cross-boundary connectivity and access to regional opportunities - a regional pipeline helps prioritise interventions that improve access to jobs, education, healthcare and key centres across local authority boundaries
- SEStran supports a stronger local and regional economy by developing the evidence and delivery pathway for integrated, high-capacity connections to strategic employment and education sites, reducing congestion and improving journey reliability.

Strategic outcome: Places

- People and Place helps create sustainable, thriving places by supporting locally designed projects (often delivered with community and third sector partners) that improve everyday journeys, strengthen local connection and reduce the impacts of car dependency.
- The Regional Bus Action Plan supports connected places by improving access between settlements and key destinations, helping communities remain linked to services, opportunities and each other.
- The RTS Delivery Plan and SEStran support long-term place-based planning by improving connectivity to housing, employment, health and education sites, enabling growth that is better aligned with sustainable transport.

East Lothian Council

SEStran's 2026/27 delivery programmes support the East Lothian Council Plan 2022-27 vision and objectives as follows:

Overarching objective: Recovery and Renewal

- The Regional Bus Action Plan supports recovery by improving the reliability and affordability of bus services that connect people to town centres, services and employment—helping local economies to function better day to day.
- Transport to Health and Transport to Employment support recovery by reducing practical barriers to accessing healthcare, training and jobs - helping residents participate in the economy and sustain wellbeing.
- The RTS Delivery Plan and SEStran supports long-term renewal by developing the evidence and delivery pathway for integrated, sustainable regional connections

Overarching objective: Reduce poverty and inequality

- People and Place supports inclusion by widening access to active and sustainable travel especially for underrepresented groups and by building local capacity to deliver community-based solutions.
- The Regional Bus Action Plan reduces transport poverty by working toward a more equitable, reliable and affordable bus network.
- Transport to Health tackles inequalities of access to care by reducing transport barriers, improving services for people, and reducing missed or delayed appointments.
- Transport to Employment is designed to reduce child poverty by improving access to fair, well-paid work and training, and by reducing the cost burden of travel for parents.
- The RTS Delivery Plan provides a region-wide prioritisation framework that can target accessibility gaps and helps coordinate equitable service and interchange improvements so people can reach jobs, education and services more reliably and affordably.
- SEStran supports inclusive growth by improving strategic connectivity across East Lothian and the wider region, helping more communities access key destinations and opportunities through an integrated transport system.

Overarching objective: Respond to the Climate Emergency

- People and Place supports modal shift away from private car use by making sustainable travel more accessible for everyday journeys
- The Regional Bus Action Plan supports net zero by making bus travel more competitive with the car through improved journey times, customer experience and affordability.
- The RTS Delivery Plan and SEStran are major net-zero enablers by developing an integrated, regional transport system that reduces congestion and supports sustainable travel to key destinations at scale.

Falkirk Council

SEStran's 2026/27 delivery programmes support the vision and three priorities of the Falkirk Council Plan:

Vision: Strong communities where inequalities are reduced and lives are improved

- People & Place removes barriers for under-represented groups, widens access to active and sustainable modes, and works with the partners to strengthen local delivery capacity.
- Transport to Employment reduces child poverty by supporting access to fair, well-paid jobs, training and skills pathways, particularly for low-income families and rural communities.
- Transport to Health improves access to healthcare, impacting health outcomes and reducing inequalities caused by missed appointments and delayed treatment.
- The Regional Bus Action Plan and SEStran improve regional connectivity, affordability and service reliability, ensuring communities across Falkirk have fair access to services

Priority: Supporting stronger and healthier communities

- People & Place increases walking, wheeling and cycling, improves travel confidence, and embeds healthier behaviours in schools, workplaces and communities.
- Transport to Health strengthens access to preventative and routine care, improving health outcomes and reducing health inequalities.
- The Regional Bus Action and RTS Delivery Plans support cleaner air, reduce congestion and promote safe, accessible public transport, contributing to healthier local environments.

Priority: Promoting opportunities and educational attainment, and reducing inequalities

- People & Place enables safer, more sustainable school journeys and increases access to cycles, travel training and community-based mobility solutions.
- Transport to Employment will support people to access further education, apprenticeships and skills training, ensuring that transport is not a barrier to participation.
- The Regional Bus Action Plan delivers more reliable, affordable regional bus services, simplifying journeys to colleges, training centres and major employers.
- The RTS Delivery Plan and SEStran improve longer-distance access to key destinations for learning and skills.

Priority: Supporting a thriving economy and green transition

- People & Place helps shift short and medium-length journeys to active and sustainable modes, lowering emissions and supporting local productivity.
- Transport to Health reduces avoidable demand on healthcare services, supporting a more resilient, sustainable regional economy.
- The Regional Bus Action Plan strengthens the regional bus network, supporting labour mobility, reducing car dependency and contributing to net-zero goals.
- SEStran supports strategic economic sites across Falkirk by improving mass transit connections, reducing congestion to increase productivity and help drive economic growth.

Fife Council

The Plan for Fife 2017-2027 identifies four key themes, each of which ties in closely with the aims of this Business Plan for SEStran:

Theme: Opportunities for all

- The Regional Bus Action Plan supports equal access to opportunity by working toward a more reliable, affordable and equitable regional bus network, improving connectivity between communities and key services.
- Transport to Health and Transport to Employment support access to healthcare, training and fair work by improving transport options to key destinations and reducing the cost burden of travel, especially for parents and households experiencing low incomes.
- The RTS Delivery Plan delivers region-wide prioritisation of accessibility gaps helping target investment where lack of transport most limits access to jobs, education, healthcare and services.

Theme: Thriving places

- People and Place helps create healthier, safer and more attractive places by supporting a shift to sustainable modes for local journeys, reducing negative impacts of car dependency.
- The Regional Bus Action Plan supports thriving places by improving access to town centres and facilities through better bus services.
- SEStran enables place-based growth by improving strategic connectivity to housing, employment and education in a way that supports sustainable travel, reducing congestion.

Theme: Inclusive growth and jobs

- The Regional Bus Action Plan supports business and labour market connectivity by improving service quality and cross-settlement links, helping employers access staff and customers and helping residents access jobs across Fife and the wider region.
- Transport to Employment supports inclusive growth by enabling more parents to access fair, well-paid work, improving household incomes and participation in the local economy.
- Transport to Health supports economic participation by improving access to healthcare, reducing missed appointments and supporting a healthier workforce.
- The RTS Delivery Plan Creates a coordinated regional investment pipeline, strengthening the case for external funding and via SEStran helps deliver strategic corridors that support labour market access and business connectivity.

Theme: Community led services

- People and Place is delivered through local authorities, third sector partners and community groups, supporting community-led design and delivery of projects that respond to local needs and build local capacity.
- The Regional Bus Action Plan is shaped by extensive public feedback and depends on coordinated partnership working with local authorities and operators to support more consistent, user-centred services.

Midlothian

The delivery programmes set out in the Business Plan support the Single Midlothian Plan 2023-27 vision and four of its seven themes as follows:

Theme: Midlothian will be healthier

- People and Place supports healthier lives by enabling more active travel for everyday journeys and by building confidence and skills to support this.
- Transport to Health improves access to healthcare by reducing journey time, complexity and affordability barriers, supporting better health outcomes.
- The RTS Delivery Plan and SEStransit support long-term, integrated connectivity to health sites and population centres, improving reliability and reducing car dependency.

Theme: Midlothian will work towards reducing poverty

- People and Place supports inclusion by widening access to active and sustainable travel for underrepresented groups and by building local capacity to deliver solutions.
- The Regional Bus Action Plan reduces transport poverty by working toward simpler, more affordable fares and a more equitable, reliable network to support access to jobs
- Transport to Employment is designed to reduce child poverty by improving access to fair, well-paid jobs, education and training, and by reducing the cost burden of travel for parents
- The RTS Delivery Plan provides a region-wide prioritisation framework to target accessibility gaps, supporting access to opportunity for people without a car.

Theme: Midlothian will have a wellbeing economy and be better connected

- The Regional Bus Action Plan improves everyday connectivity within and beyond Midlothian through action on service quality, fares and ticketing, information and governance helping people and businesses rely on public transport.
- The RTS Delivery Plan Creates a coordinated regional investment pipeline, strengthening Midlothian's ability to progress priorities that depend on cross-boundary connectivity and to secure national investment.
- SEStransit supports a stronger wellbeing economy by developing the pathway for integrated, high-capacity regional connections to strategic employment, housing, education and health sites, improving journey reliability and reducing congestion.

Theme: Midlothian will be greener

- People and Place drives modal shift away from car use by making sustainable transport more accessible, reducing emissions while improving local environments.
- The Regional Bus Action Plan supports net zero by making bus travel more competitive with the car, supporting a shift to lower-carbon travel.
- The RTS Delivery Plan and SEStransit are major net-zero enablers through development of an integrated, regional transport system, reducing congestion and supporting sustainable travel to key destinations.

Scottish Borders

SEStran's 2026/27 delivery programmes help to deliver on the main focus and five outcomes of the Scottish Borders Council Plan for 2026/27 as follows:

Outcome: Clean, green future

- People and Place drives modal shift from car to sustainable transport reducing emissions and improving local environments.
- The Regional Bus Action Plan makes bus services more reliable, affordable and attractive, supporting a shift from private car use and cutting congestion and emissions.
- The RTS Delivery Plan supports the business cases for integrated, low-carbon regional transport, enabling longer-term prioritised decarbonisation at scale.

Outcome: Fulfilling our potential

- The Regional Bus Action Plan alongside Transport to Health and Employment improves access to education, work, and healthcare for those who have no access to a private car.
- The RTS Delivery Plan helps address rural accessibility by using a region-wide prioritisation to target gaps in access, particularly where trips are cross-boundary and multi-modal

Outcome: Strong inclusive economy, transport and infrastructure

- The Regional Bus Action Plan improves labour market access and day-to-day economic functioning by improving bus services.
- Transport to Employment tackles transport barriers that prevent parents from accessing fair work and training, supporting inclusive growth and household income.
- The RTS Delivery Plan and SEStran directly contributes to stronger regional infrastructure by progressing strategic cross-boundary interventions, improving reliability for commuters, businesses and servicing

Outcome: Empowered, vibrant communities

- The Regional Bus Action Plan strengthens connection between settlements and essential services, reducing isolation (especially for rural communities).
- People and Place funds and supports the design and delivery of local initiatives, building community capacity, inclusion and resilience.
- Transport to Health and Employment reduces social exclusion by removing transport barriers to essential opportunities and services.
- SEStran supports longer term place based planning and better regional connectivity between communities and key destinations.

Outcome: Good health and wellbeing

- People and Place increases physical activity through more active travel, supporting both physical and mental wellbeing and safer local environments.
- Transport to Health directly targets access to healthcare by reducing journey complexity and affordability barriers, improving equity of access and reducing missed and delayed appointments.

West Lothian Council

The delivery planned by SEStran for Corporate Plan for 2023/24 – 2027/28

Priority: Raising educational attainment

- The Regional Bus Action Plan supports access to schools, colleges and training providers by improving bus services and making journeys simpler and more affordable.
- The RTS Delivery Plan and SEStran improve longer-term connectivity to education sites, widening the realistic catchment for learning opportunities.

Priority: Strengthening care and support for children, adults and older people

- The Regional Bus Action Plan supports access to GP practices, hospitals, community services and care settings through a more reliable and inclusive bus network.
- Transport to Health directly addresses barriers to appointments and treatment by reducing journey complexity and improving affordability, supporting equitable access to healthcare

Priority: Investing in skills and jobs

- The Regional Bus Action Plan improves access to employment areas and training providers by strengthening service quality, fares, ticketing and cross-boundary connectivity.
- Transport to Employment focuses on improving access for parents to work and training, helping parents enter and sustain employment.
- SEStran develops the pathway for larger-scale, integrated regional connections to strategic employment sites, supporting the local and regional economy.

Priority: Helping to create strong and sustainable communities

- People and Place funds locally designed projects, building local capacity, improving inclusion and supporting healthier, more liveable places.
- The Regional Bus Action Plan: supports connected communities by improving access between settlements and destinations, reducing isolation and supporting participation.
- Transport to Health and Employment reduces exclusion by removing transport barriers to essential healthcare, work and training
- SEStran supports longer-term sustainable growth and resilience through integrated regional connectivity and reduced congestion and car dependency.

Priority: Tackling homelessness, poverty and inequality

- People and Place targets inclusion and accessibility barriers for underrepresented groups, supporting more equitable access to local opportunities through sustainable travel.
- The Regional Bus Action Plan and Transport to Health and Employment tackles transport poverty by improving affordability and strengthening service levels so everyone can reliably reach essential services.
- The RTS Delivery Plan provides a region-wide prioritisation framework that can target accessibility and affordability gaps, supporting equitable access to opportunity and essential services for households without access to a car.

Our 2026/27 Delivery Programmes

This business plan outlines six key programmes designed to deliver across the Regional Transport Strategy, whilst also aligning with national, regional, and local priorities. They will enhance transport connectivity, accessibility, and sustainability across the region. Complementing these programmes, our communications and marketing strategy includes a refreshed SEStran website, designed to increase engagement and provide accessible information for all users.

Taken together, this delivery portfolio demonstrates our strategic approach to improving everyday journeys, supporting local communities, social wellbeing, and the region's long-term growth and prosperity.

People and Place

The People & Place Programme is a region-shaping initiative designed to reshape how communities move, connect and thrive. We will fund over 100 projects across the region, delivering multi-million targeted investment in the local authorities, third sector delivery partners, and community groups that support making active and sustainable travel not just possible, but the preferred choice for everyday journeys. By empowering schools, workplaces, communities and local authorities, the programme drives a fundamental shift away from car dependency and towards healthier, fairer and cleaner daily journeys for everyone.

At its core, this programme unlocks real behaviour change at scale—removing barriers to access, widening participation, and embedding the skills, systems and confidence needed to create lasting change. It will see expanded access to cycles across the region, increased active journeys to schools through projects such as walking buses and cycle training, supporting increased use of public transport through provision of mobility hubs and enhanced bus stop information, and working with community groups to deliver change at a local level to achieve regional impact.

Coordinated at a regional level to achieve maximum impact through concentrated investment, it will advance inclusion, enhance accessibility, and strengthen local capability, while supporting the shift to net zero and Scotland's wider climate, health and economic ambitions.

Programme objectives

- Increase the proportion of active and sustainable journeys in the region
- Increase awareness of the benefits of active and sustainable travel to encourage future behaviour change
- Increase the use of active and sustainable travel modes among underrepresented groups in the region who might face additional barriers
- Collaborate with local authorities and third-sector partners to strengthen capacity and capability in active and sustainable travel

Regional Bus Action Plan

Building on the Regional Bus Strategy, we will deliver an ambitious transformation of bus services in South East of Scotland - turning years of public frustration, fragmented services and inconsistent access into a unified, modern, and equitable regional network designed around people, not modes or boundaries.

Grounded in our 2025/26 consultation that heard from thousands of voices from across our communities and driven by a clear vision for affordable, reliable, inclusive mobility, this programme will reshape how the region moves - strengthening opportunities, reducing inequalities, and positioning public transport as the natural first choice for everyday travel.

Through a coordinated Regional Bus Action Plan, we are building a system that delivers consistently, connects communities fairly, and competes confidently with private car travel. Our work will unlock faster and more dependable journeys through targeted bus priority measures; simplified and integrated fares and ticketing; moving toward a clear and trusted network identity; and ensuring all users benefit from high-quality information, infrastructure, and customer experience.

By improving access to jobs, services, education, and health, it will strengthen local economies, reduce carbon emissions, and support thriving, inclusive communities. Through strong partnerships with operators, local authorities, employers, and national bodies, we are creating a collaborative system that works better for everyone.

Together, we are building a future where using the bus is seamless, affordable, reliable and safe - where every community, regardless of geography or income, has a level of service they can depend on.

Programme objectives

- Move towards a regionally equitable and guaranteed level of service in terms of connectivity by settlement type that recognises the resource limitations and topographical challenges of local authorities, while accounting for the specific needs of communities.
- Improve affordability by ensuring that public transport fares across the region are simple, accessible, consistent, and equitable - providing fair, affordable options that prioritise those in transport poverty and make bus travel more competitive than car use.
- Improve service quality across the region to deliver a high-performing and user-centred regional bus network - through consistent network identity, efficient operations, integrated ticketing, high-quality infrastructure, strong customer experience, accessible information, decarbonised and well-maintained fleets, robust safety standards, and data-driven continuous improvement.

Transport to Employment

Directly supporting the First Minister's key priority for government of reducing child poverty, the Transport to Employment programme is a targeted, outcomes-driven intervention designed to break the link between low income, poor transport access, and child poverty. It will increase household incomes for parents across the region by enabling access to fair, well-paid employment and training, while simultaneously reducing the financial burden of travel that can make work unaffordable or unsustainable.

Rather than operating in isolation, the programme maximises the impact of the Regional Transport Strategy by accelerating and shaping its delivery through a child-poverty lens. Every improvement to public and sustainable transport - whether reduced journey times, simpler networks, or lower fares - strengthens access to work and training and reduces reliance on private car ownership. This programme ensures those benefits are intentionally directed towards parents and communities most in need.

A core ambition is to turn short-term funding into long-term change. The programme will build regional capacity, deepen partnerships with Local Employability Partnerships, local authorities, NHS boards, and operators, and pilot scalable interventions that can be sustained beyond 2026/27. A strong emphasis on monitoring, evaluation, and learning will ensure that successful approaches are evidenced, refined, and ready for future expansion.

Delivery will focus on four strategic areas: supporting journeys to further education and training opportunities; improving transport access to large and strategically important workplaces, including healthcare sites; addressing the unique challenges of rural access to work and further education; and delivering targeted fare interventions that reduce travel costs for parents who currently fall outside existing concessionary schemes. Together, these actions will unlock opportunity, improve financial resilience, and support families to move sustainably out of child poverty.

Programme Objectives

- Reduce current levels of child poverty by improving the availability of transport options for parents to access employment and training
- Reduce current levels of child poverty by increasing household incomes for families by reducing transport costs to employment and training
- Reduce current levels of child poverty by supporting access to NHS sites as one of the region's major employers and to support access to health services to reduce health inequalities that impact on ability to work
- Make best use of the one year funding to build capacity in future years to deliver further action to reduce child poverty

Transport to Health

SEStran will lead a step change in how people across South East Scotland access healthcare, switching transport from a barrier into an enabler of health, wellbeing and equity. Working in close partnership with our four NHS Boards, NHS Scotland Assure, local authorities and national partners, we are developing a bold, region-wide Transport to Health Strategy grounded in a clear Case for Change.

Across South East Scotland, too many people face delayed treatment, missed appointments and deteriorating health simply because the journey to care is too complex, unreliable or unaffordable. This programme will tackle entrenched inequalities in access to hospitals, clinics and specialist care - particularly for people without access to a car, disabled people, older people and those with long-term conditions. Through a coordinated, programmatic approach, we will reduce journey times, complexity and missed appointments; integrate public, community and demand-responsive transport; and cut unnecessary car dependency in healthcare travel.

The programme will deliver measurable improvements in patient outcomes, system efficiency and value for money, while ensuring fair access to healthcare in both urban and rural communities. Transport to Health will be a cornerstone of a more inclusive, efficient and resilient regional health and transport system.

Programme Objectives

- Reduce journey time, interchange complexity and uncertainty for secondary and tertiary healthcare trips
- Improve reliable and affordable access to healthcare for people without access to a private car
- Improve the accessibility and usability of transport for disabled people, older people and those with long-term conditions
- Reduce transport-related missed and delayed healthcare appointments
- Improve clarity, coordination and accessibility of transport information and support
- Integrate and enhance community and demand-responsive transport to support healthcare access
- Reduce unnecessary car dependency and improve system efficiency in healthcare travel

Regional Transport Strategy Delivery Plan

The Regional Transport Strategy Delivery Plan will provide a mechanism to identify, assess, prioritise and coordinate all regional transport projects that are required over the medium to long term, to realise the ambitions of the Regional Transport Strategy to support the economic and net-zero ambitions of the Regional Prosperity Framework and local authority economic priorities.

The Regional Transport Strategy Delivery Plan will dovetail with the Strategic Transport Projects Review 2 to support the delivery of a transport network that:

- Takes climate action;
- Addresses inequalities & accessibility;
- Improves health & wellbeing;
- Supports sustainable and inclusive economic growth; and
- Improving safety & resilience.

An integrated approach to economic development, land-use and transport planning, provision and delivery plays a vital role in creating a prosperous, successful, accessible and sustainable region.

Ensuring appropriate sustainable transport provision will make a positive contribution to many national, regional and local priorities, including:

- Strategy Objective 1: Transitioning to a sustainable, post-carbon transport system
- Strategy Objective 2: Facilitating healthier travel options
- Strategy Objective 3: Transforming public transport connectivity and access across the region
- Strategy Objective 4: Supporting safe, sustainable and efficient movement of people and freight across the region.

Through strengthened collaboration, joint working, co-production and engagement, we will seek to ensure a robust basis for integrated regional economic development, land-use and transport planning, provision and delivery, maximising the opportunities for our region. The six theme of the RTS Deliver Plan are:

- 1) Mass Transit (SESTransit)
- 2) Active Travel
- 3) Freight
- 4) Data/Digital
- 5) Decarbonisation
- 6) Interchange

SEStransit

A key theme from the RTS Delivery Plan, SEStransit is a transformational, once-in-a-generation opportunity to reshape how people move across South East Scotland. It will deliver a faster, greener and more reliable regional transport system - one that matches the scale of our economic ambition, supports inclusive economic growth, and enables tens of thousands more people to travel sustainably every day.

At its heart, SEStransit imagines a region where buses, trains, trams and other shared modes operate not as fragmented services but as a single, fully integrated, high-capacity mobility system, supported by seamless interchanges, smart ticketing, real-time information and world-class digital tools. This is a bold step toward creating a regional network that is coherent, coordinated and futureproof - a system where passengers can move effortlessly between modes, access employment, housing, healthcare and education sites, and rely on a transport network that works for every community. In doing so, it will accelerate decarbonisation and reduce congestion, expand opportunity and strengthen the resilience, wellbeing and economic opportunity of communities across the region.

Through a Strategic Business Case followed by an Outline Business Case, SEStransit will provide the robust evidence, modelling and delivery pathways required to unlock major investment, drive regional cohesion and support Scotland's climate, modal shift and economic priorities. Once the Business Cases are approved, we will move to a delivery phase so that the region will benefit from a harmonious and joined up plan ready to pursue national investment and implementation.

Programme Objectives

Transport Planning Objectives (TPOs) will be developed in collaboration with key stakeholders, including local authorities.. before the end of 2025/26. In advance of confirming the specific objectives, the working definition of the project is:

The collective movement of people across all regional areas using an integrated and affordable shared transport system such as buses, trains, trams, and other connecting modes. It is designed to provide efficient, high-capacity, and sustainable mobility, supported by interchanges and integrating ticketing, data and digital solutions, that provide passengers with the ability to seamlessly transfer between different modes and access strategic housing, employment, health and education sites.

Our 2026/27 Delivery Programme

To follow

Appendix 1 – Core Delivery Programmes

Programme	People and Place
Project partners	Local authorities, third sector delivery partners, community groups

Programme summary
This initiative funds and supports delivery partners to encourage active and sustainable travel for daily journeys, with particular emphasis on schools, workplaces, inclusion, accessibility and building local capacity. The programme aims to increase journeys by sustainable modes, reduce car trips, improve perceptions of accessibility and enable broader participation in active travel.
RTS actions
<ul style="list-style-type: none"> • Expand the provision of bike-sharing initiatives across the region. • Promotional and communication campaigns to highlight the benefits of active travel across the region and encourage people to adopt it where possible. • Improve public transport information in a variety of formats supported by wayfinding infrastructure. • Regional audit to identify stops, stations and interchanges that do not meet accessibility requirement. Develop priority list of interventions.
Programme objectives
<ul style="list-style-type: none"> • Increase the proportion of active and sustainable journeys in the region • Increase awareness of the benefits of active and sustainable travel to encourage future behaviour change • Increase the use of active and sustainable travel modes among underrepresented groups in the region who might face additional barriers • Collaborate with local authorities and third-sector partners to strengthen capacity and capability in active and sustainable travel
Programme outcomes
<ul style="list-style-type: none"> • Increase the number of journeys by active and sustainable modes in and around the target community • Reduce number of short trips being made by car • Improve perceptions of accessibility to local goods/services, education and employment by non-car modes • Increase the amount of walking, wheeling and cycling for physical activity • Enable people that were previously excluded from using active or sustainable modes for some journeys to do so • Increase the number of journeys made by young people by active and sustainable modes to school and for other commonly-made journeys • Increase the number of journeys made by parents/carers by active and sustainable modes to school and for other commonly-made journeys

- Reduce the number of journeys made by car to school and for other commonly-made journeys
- Improve perceptions of accessibility to school by non-car modes
- Enable people that were previously excluded from using active or sustainable modes for some journeys to do so
- Reduce the number of journeys made by car from or to major trip generators
- Increase the number of journeys made by active and sustainable modes from or to major trip generators
- Improve perceptions of accessibility from or to major trip generators by non-car modes
- Increase the use of the new infrastructure or services
- Improve perceptions of active travel and public transport
- Improve perceptions of accessibility to public transport
- Increase the use of public transport
- Improve perceptions of transport integration
- Reduce the number of medium-length and longer trips being made by car
- Local authorities are better able to establish and manage effective behavioural change projects
- Local partner organisations have increased willingness, capacity and skills to establish and implement effective behavioural change projects

Programme milestone / deliverables

Q1

Milestones:

- 2025/26 Q4 reporting and claims to Transport Scotland (April)
- 2026/27 Grant award letters circulated and signed (April)
- Inception meetings held with grant recipients (April)
- Training audit carried out with 2026/27 grant recipients (June)
- Q1 reporting meetings held with grant recipients (June)
- 2025/26 Evaluation report completed and presented to June Partnership Board (June)

Deliverables:

- 2025/26 Q4 report and claim
- 2025/26 Evaluation report
- Report on results of 2026/27 training audit
- Schedule of 2026/27 training delivery
- Newsletter
- Updated programme dashboard for 2025/26 with final spend and locations

Q2

Milestones:

- 2026/27 Q1 reporting and claims to Transport Scotland (July)
- Knowledge Sharing Event (local events) (Sept)
- Developed approach for 2026/27 programme evaluation (Sept)

Deliverables:

- 2026/27 Q1 report and claim
- Newsletter
- Case studies produced
- Updated programme dashboard with new project locations
- Project plan for 2026/27 programme evaluation

Q3

Milestones:

- 2026/27 Q2 reporting and claims to Transport Scotland (October)
- Delivery Plan review process completed
- Draft 2027/28 proposals to Transport Scotland

Deliverables:

- 2026/27 Q2 report and claim
- Newsletter
- Delivery Plan completed for 2027/28 onwards

Q4

Milestones:

- 2026/27 Q3 reporting and claims to Transport Scotland (Jan)
- Knowledge Sharing event (local authority event) (Jan)
- Portal application window opens/closes for 2027/28 programme (Dec/Jan)
- Internal assessment and funding panel completed for 2027/28 programme (Feb)
- Decisions in principle issued to successful 2027/28 applicants
- 2027/28 Grant awards reported to the March Partnership Board
- Updated 2027/28 Delivery Plan presented to March Partnership Board
- Final 2027/28 proposals to Transport Scotland

Deliverables:

- 2026/27 Q3 report and claim
- Updated 2027/28 grant funding guidance
- Newsletter
- 2027/28 People and Place funding report

Delivery areas
Main Grant Fund (DP)
<p>This incorporates the Regional Priority Investment Fund (RPIF), Local Authority Delivery Support (LADS) and Access to Cycles and Cycle Storage:</p> <ul style="list-style-type: none"> • RPIF: This fund supports the main programme delivery. Projects in this fund are to deliver according to the priority interventions and key outcomes identified in the People and Place Delivery Plan. • LADS: Provides support Local Authorities to deliver sustainable transport behaviour change projects, to supplement Transport Scotland funding direct to Local Authorities (Local Authority Direct Award). • Access to Cycles and Cycle Storage: To support access to cycles and cycle storage in the SEStran region. Access to cycles includes the purchase of new cycles, cycle share schemes, recycling of cycles and repair of cycles.
Community Grant Fund (DP)
<p>This is a grant fund to support community organisations looking to deliver sustainable transport projects within the SEStran region. Project outcomes should align with the P&P objectives and should relate to one or more of the three behaviour change People and Place themes: schools and young people, workplaces and accessibility and inclusion. The funding is available to Community groups, CICs and charities delivering within the SEStran region.</p>
P&P knowledge sharing events and training support
<p>A project to support increased capacity and capability in the delivery of active and sustainable travel projects in the region. This will be achieved through delivery of knowledge sharing events, regional skill training, identifying best practice and supporting collaboration.</p>
P&P monitoring and evaluation
<p>Collation of monitoring data and development of an annual evaluation report.</p>
P&P communications
<p>Programme wide comms and marketing including case study development, a quarterly newsletter and ongoing promotion through the SEStran website and social media channels.</p>
P&P regional bike share
<p>Ongoing support for established e-bike libraries operating with SEStran assets including outreach and support for maintenance.</p>
P&P grant management
<p>Ongoing management of the People and Place grants including quarterly meetings, processing claims and monitoring progress and spend.</p>

Programme	Regional Bus Action Plan
Project partners	Local authorities, transport operators

Programme summary

We are delivering our Regional Bus Strategy, which sets a shared vision for affordable, reliable and inclusive services, informed by thousands of public responses from across the region, and backed by actions on service quality, fares, ticketing, information and governance.

RTS actions

- Undertake a Regional Bus Connectivity study for non-Edinburgh travel to identify settlement pairs where travel demand is high and bus services are poor, as a means to promoting new routes and connectivity (in partnership with other policies).
- Undertake a Regional Bus Priority study which will identify regional, cross-boundary, quality bus corridors and key bus priority interventions to reduce bus journey times and improve bus journey time reliability where Edinburgh is likely to be a focus.
- Deliver the bus priority interventions funded by Transport Scotland's Bus Partnership Fund and subsequently identified by the Regional Bus Priority study.
- Review the bus powers detailed in the Transport (Scotland) Act 2019 and identify if they could be implemented across all or parts of the region within an integrated strategy to enhance the bus network.

Programme objectives

- Move towards a regionally equitable and guaranteed level of service in terms of connectivity by settlement type that recognises the resource limitations and topographical challenges of local authorities, while accounting for the specific needs of communities.
- Improve affordability by ensuring that public transport fares across the region are simple, accessible, consistent, and equitable - providing fair, affordable options that prioritise those in transport poverty and make bus travel more competitive than car use.
- Improve service quality across the region to deliver a high-performing and user-centred regional bus network - through consistent network identity, efficient operations, integrated ticketing, high-quality infrastructure, strong customer experience, accessible information, decarbonised and well-maintained fleets, robust safety standards, and data-driven continuous improvement.

Programme Outcomes

A more equitable regional bus network

Communities across the South East of Scotland experience a fairer and more consistent level of bus service, with improved access to employment, education, healthcare and essential services regardless of settlement type, geography or income. Inequalities in connectivity are reduced through a coordinated regional approach that prioritises communities most affected by poor access and limited travel choice.

Improved affordability and reduced transport poverty

Bus travel is simpler, more affordable and easier to understand, with clearer fares, better access to concessionary and discounted products, and reduced financial barriers for people experiencing transport poverty. As a result, public transport plays a stronger role in supporting household affordability, social inclusion and access to opportunity.

A more reliable and user centred bus experience

Passengers benefit from a more reliable, punctual and user focused bus network, with clearer network identity, better information and improved confidence in services. The overall customer experience improves, supporting increased satisfaction and making bus travel a more attractive option for everyday journeys.

Bus services that compete more effectively with the car

Bus services become a credible and competitive alternative to private car use on key corridors and for everyday travel, contributing to reduced congestion, improved journey time reliability and progress towards regional climate and health objectives.

A modern, accessible and decarbonised bus system

The regional bus system is supported by high quality infrastructure, accessible vehicles and a transition towards low and zero emission fleets, improving comfort, safety and environmental performance while supporting national and regional climate ambitions.

Stronger partnership working and coordinated delivery

Local authorities, operators and regional and national partners work more collaboratively and consistently, supported by clear governance, shared priorities and aligned delivery. This enables more effective use of resources, clearer decision making and greater confidence in regional delivery.

Evidence led planning and continuous improvement

Investment and decision making are increasingly detailed and outcome focused, with regular monitoring of service performance, affordability and user experience used to inform priorities, demonstrate progress and drive continuous improvement over time.

Milestones and deliverables

Note – further milestones and deliverables to be added as the action plan is finalised

Q1

Milestones:

Internal approval of Bus Action Plan which will map out work packages – *15 April 2026*

First Board Meeting is held where Terms of Reference, approach, and plan are agreed – *30 April 2026*

- Programme governance, scope and reporting arrangements confirmed – *15 May 2026*

Deliverables:

- Summary document with all LA BIF funding plans mapped out – *30 April 2026*
- Agreed programme plan, aligned to RTS and NTS outcomes – *15 May 2026*
- Baseline analysis for Current Level of Service by settlement type – *15 May 2026 with working document*
- Promote Bus Strategy outcomes to wider stakeholder through marketing and comm – *30 May 2026*
- Q1 Progress update to the Partnership Board – *19 June 2026*

Q2

Milestones:

- Embedded monitoring questions for all related projects to ensure impact on bus network can be evaluated
- Further milestones are developed based on Bus Action Plan finalised in Q1

Deliverables:

- Based on the Bus Action Plan finalised in Q1

Q3

Milestones:

- Further milestones are developed based on Bus Action Plan finalised in Q1

Deliverables:

- Based on the Bus Action Plan finalised in Q1

Q4

Milestones:

- Further milestones are developed based on Bus Action Plan finalised in Q1
- RBAP year 1 action plan to be reviewed and updated where required

Deliverables:

Based on the Bus Action Plan finalised in Q1
RBAP Action Plan Year 2– updated version based on review milestone – *31 March 2027*

Delivery areas

Advocacy

Advocacy activity will focus on representing the region's bus priorities clearly and consistently to national partners, funders and stakeholders, making the case for sustained investment, policy alignment and delivery support. Building on the Regional Bus Strategy and Business Plan, SEStran will use evidence from engagement, data and early delivery to advocate for fair and equitable levels of service, simpler and more affordable fares, and the infrastructure and powers required to deliver a high-performing regional bus network. This role will also include sharing best practice, influencing national guidance and ensuring that the needs of diverse communities across the region are reflected in wider decision-making.

Programme Governance

Programme governance will provide clear regional leadership and coordination for delivery of the Regional Bus Action Plan, ensuring activity is aligned with the Regional Transport Strategy and national priorities. SEStran will act as the convener and coordinator, bringing together local authorities, operators and national partners to agree priorities, manage dependencies and monitor progress against agreed outcomes. Governance arrangements will focus on enabling collaboration, providing transparency on decision-making, and ensuring that delivery is evidence-led, proportionate and responsive to emerging challenges, while maintaining regular reporting to the Partnership Board on progress, risks and next steps.

Operator Tasks

Operator-facing activity will centre on collaborative delivery, supporting operators to contribute to a more coherent, reliable and user-centred regional bus network. Working through existing partnerships and alliances, SEStran will support coordination on issues such as network clarity, service quality, fares simplification and passenger information, while recognising the operational realities faced by operators. The emphasis will be on enabling practical improvements that benefit passengers, strengthening trust and consistency across the network, and creating the conditions for bus services to compete more effectively with private car travel across the region.

Programme	Transport to Employment
Project partners	Local authorities, community planning partnerships, third sector delivery partners

Programme summary

This programme of work will reduce levels of child poverty across the region by increasing household income through increasing opportunities to access fair, well-paid jobs and training, and decreasing household expenditure on transport to these. Key focuses will be around improving specific public transport services where these can increase access to employment opportunities, and working with Local Employability Partnerships to roll out targeted measures to reduce the transport cost for parents to access employment.

RTS actions

There are no RTS actions specifically aimed at transport to employment. Rather, the implementation of any and all actions within the RTS will improve opportunities to access employment, reduce the cost of public and sustainable transport options and reliance on the private car.

Programme objectives

- Reduce current levels of child poverty by improving the availability of transport options for parents to access employment and training
- Reduce current levels of child poverty by increasing household incomes for families by reducing transport costs to employment and training
- Reduce current levels of child poverty by supporting access to NHS sites as one of the region’s major employers and to support access to health services to reduce health inequalities that impact on ability to work
- Make best use of the one year funding to build capacity in future years to deliver further action to reduce child poverty

Programme outcomes

- Reduced public transport journey time and complexity when travelling to employment and further education
- Reduced public transport cost when travelling to employment and further education
- Improved access to employment and further education for people without access to a private car
- Strengthened role of demand-responsive transport in supporting access to employment and further education
- Reduced public transport journey time and complexity for staff and patients when travelling to secondary and tertiary healthcare centres
- Reduced public transport cost for staff and patients when travelling to secondary and tertiary healthcare centres
- Increased local capacity and knowledge to deliver action on transports role in addressing child poverty
- Development of self-sustaining programmes beyond the 2026/27 funding

- Evaluation of successful delivery to support future delivery programmes

Milestones and deliverables

Note – further milestones and deliverables to be added as programme develops

Q1

Milestones:

- 2026/27 Grant award letters circulated and signed (April)
- Inception meetings held with grant recipients (April)
- Finalise monitoring guidance (April)
- Q1 reporting meetings held with grant recipients (June)

Deliverables:

- Monitoring guidance

Q2

Milestones:

- 2026/27 Q1 reporting and claims to Transport Scotland (July)

Deliverables:

- 2026/27 Q1 report and claim
- Newsletter
- Project plan for programme evaluation

Q3

Milestones:

- 2026/27 Q2 reporting and claims to Transport Scotland (October)

Deliverables:

- 2026/27 Q2 report and claim
- Newsletter

Q4

Milestones:

- 2026/27 Q3 reporting and claims to Transport Scotland (Jan)

Deliverables:

- 2026/27 Q3 report and claim
- Newsletter
- Programme completion event/communication

Delivery areas
<p>School to skills pathway</p> <p>This programme will seek to work with school communities, targeting families who experience child poverty and then working with parents and children in those families. In working with parents, projects will support their transport options to work and/or further education. In working with children and young people, it will address what happens after secondary school - while existing funding supports walking, wheeling and cycling behaviours to become established through school-based activity, young people and families from low-income households often struggle to sustain access to skills training, apprenticeships and employment once leaving school</p>
<p>Transport to Large Workplaces</p> <p>Projects in this area will look at improving transport access to large workplaces across the region. They will take an evidence based approach, working with local authority transport team and Local Employability Partnerships, to identify existing gaps in provision and put in place solutions to address these gaps.</p>
<p>Rural transport to work and further education</p> <p>Projects in this area will support the introduction of new services in line with the level of service set out in the new Regional Bus Strategy, focusing providing access to employment for those living in more rural parts of the region.</p>
<p>Targeted action to reduce ticket prices</p> <p>SEStran will partner with a range of organisations to fund an intervention to reduce ticket prices, potentially across multiple operators. This will be targeted based on available data to look at key trip origins and destinations that will have the maximum possible impact on reducing travel costs for low income parents travelling to work. In doing so, it will enable access to opportunities that are currently unaffordable or inaccessible, especially those located outwith specific communities due to travel costs. While existing free or subsidised bus travel for young people provides important support, current eligibility is limited to those aged 22 and under. This creates a significant gap for individuals aged 23 and over, many of whom are supporting families or seeking to increase household income who continue to face expensive travel costs when accessing employment or training. Targeted cost reductions would help address this gap, reduce transport related barriers, and support households to move out of poverty through improved access to employment, increased earnings, and greater financial stability.</p>
<p>Transport to Health pilot projects</p> <p>Access to healthcare is a vital aspect of supporting people into work, and healthcare sites are major employers themselves. Following on from the regional case for change report, this funding area will support a small number of high priority pilot projects that can be used to demonstrate the value of specific interventions. The exact project list will be defined over the next month but will focus both on access to healthcare for patients and employees.</p>

Future development and programme management

This area of work will focus on the administration of this funding, as well as investigating how it can be used strategically to support future work beyond 2026/27

Programme	Transport to Health
Project partners	Local authorities, health boards, transport operators

Programme summary

We lead transport to health work in the region, working closely with health boards and local partners to improve how people get to hospitals and clinics, creating a transport system that actively supports wellbeing and making access to healthcare equitable for all.

Since October 2025, SEStran has been working closely with its four NHS boards and NHS Scotland Assure, as well as with consultancy support from Urban Foresight to produce a Case for Change on Transport to Health in South East Scotland.

There is a clear need to improve transport to health in our region. The issues identified in the Case for Change highlight the inequality of access and subsequent negative impacts.

In 2026/27, the focus will be on moving from the evidence base and objectives to a co-created, prioritised pipeline of interventions, supported by early-stage business case development.

RTS actions

Support the delivery of bus services and infrastructure measures which ensure access to healthcare for all.

Programme objectives

- Reduce journey time, interchange complexity and uncertainty for secondary and tertiary healthcare trips
- Improve reliable and affordable access to healthcare for people without access to a private car
- Improve the accessibility and usability of transport for disabled people, older people and those with long-term conditions
- Reduce transport-related missed and delayed healthcare appointments
- Improve clarity, coordination and accessibility of transport information and support
- Integrate and enhance community and demand-responsive transport to support healthcare access
- Reduce unnecessary car dependency and improve system efficiency in healthcare travel

Programme outcomes

The development of a regional Transport to Health Strategy aims to achieve and/or contribute to the following items:

- Improved access to care
- Enhanced patient outcomes
- Operational efficiency – better coverage, ways of working (reduction in missed appointments etc.)

- Cost savings – for NHS and local authorities
- Equity in rural and urban access
- Better integration with other services (public transport, etc)

Milestones and deliverables

Q1

Q1 will see the publication of our Case for Change report and distribution to our key stakeholders. We'll also lead on engagement initiatives with our four Health Boards at a senior level to agree and finalise the Transport Planning Objectives prior to developing a shared regional Transport to Health vision. To progress on this work, we'll be seeking consultancy support and will go through a procurement exercise as appropriate.

Our NHS Leaders Board will direct future work packages, that will most likely include the delivery of outline business cases, updates from the Transport to Employment trials in 2026/27 that pertain to health journeys and events aimed at engaging the wider stakeholder network.

Milestones:

- Case for Change published and publicised to our key stakeholders
- Engagement plan agreed with stakeholders to review the TPOs
- NHS Leaders Board established and draft Terms of Reference agreed
- Procurement exercise started

Deliverables:

- Revised Project Initiation Document
- Engagement plan
- Terms of Reference for NHS Leaders Board and Shared Learning Network
- Tender brief

Q2

Milestones:

- Consultants appointed to support capacity on the development of the Strategy
- Regional Transport to Health vision developed and agreed
- TPOs agreed

Deliverables:

- Vision
- Final TPOs

Q3

Milestones:

- Engagement activities delivered with key stakeholders to identify potential solutions
- Long list options agreed to feed into the option appraisal

- Short list of options identified based on sifting methodology

Deliverables:

- Long list of options
- Short list of options

Q4

Milestones:

- Outline Business Cases developed based on short list of options (including economic, financial and management viability) – minimum one per TPO

Deliverables:

- Outline Business Cases
- Final report summarising approach, findings and recommendations

Delivery areas

Delivering on our objectives

To address the issues highlighted in the Case for Change, we will take a programmatic approach, building a programme board with whom we will work through a detailed options appraisal, leading a suite of outline business cases, that together will deliver on our objectives for Transport to Health. As ever, this work will be delivered in partnership with our health boards, NHS Assure, Transport Scotland, the Primary Care Directorate, local authorities, our Partnership Board and expert stakeholders.

Transport to Health pilot projects

To be delivered under Transport to Employment

Programme	SEStransit
Project partners	Transport Scotland, local authorities, Scotland's Railway, bus operators

Programme summary

The purpose of Project SEStransit is to provide faster, greener and more reliable connections across our region and to key strategic sites, helping more people travel sustainably. Our Strategic Business Case will set out the context and need for such a system and will be followed by a series of Outline Business Cases for individual projects or packages. Achieving this will in turn reduce congestion in our urban areas, improving productivity, as well as increasing overall access to key employment sites across our region.

RTS actions

Project addresses a wide range of RTS actions therefore individual actions are not listed here

Programme objectives

Transport Planning Objectives (TPOs) will be developed in collaboration with key stakeholders, including local authorities before the end of Stage 1 work, and reported in the Case for Investment.

In advance of confirming the specific objectives, the working definition of the project is:

The collective movement of people across all regional areas using an integrated and affordable shared transport system such as buses, trains, trams, and other connecting modes. It is designed to provide efficient, high-capacity, and sustainable mobility, supported by interchanges and integrating ticketing, data and digital solutions, that provide passengers with the ability to seamlessly transfer between different modes and access strategic housing, employment, health and education sites.

Milestones/tasks and deliverables

Q1 Network development and packaging

Milestones/tasks

- Option shortlisting against problems and opportunities, TPOs and STAG criteria.
- Option prioritisation and packaging against regional aspirations and requirements (e.g. the recognised need to improve connectivity into Edinburgh and the need to enable inclusive growth across the region)

Deliverables:

- Network Development Technical Note (draft)

Q2 *Modelling and detailed appraisal and engagement*

Milestones:

- Model specification
- Quantification of impacts and benefits using the SEStran regional model
- Distributional analysis of social and economic benefits appraisal
- Evidencing public support through appropriate public engagement
- Building stakeholder buy-in through targeted stakeholder discussions and workshops

Deliverables:

- Network Development Technical Note (final)

Q3 *Modelling and detailed appraisal and engagement*

Milestones:

- Model specification
- Quantification of impacts and benefits using the SEStran regional model
- Distributional analysis of social and economic benefits appraisal
- Evidencing public support through appropriate public engagement
- Building stakeholder buy-in through targeted stakeholder discussions and workshops
- SEA and Integrated Impact Assessment scoping
- Commercial, management and financial case

Deliverables:

- Detailed appraisal – draft report
- SEA scoping – draft report
- IIA scoping – draft report
- Engagement – draft report

Q4

Milestones:

- Internal approvals
- Report reviews

Deliverables:

- Detailed appraisal – final report
- SEA scoping – final report
- IIA scoping – final report
- Engagement – final report
- SBC - draft report

Delivery areas

SEStransit Strategic Business Case

Completion of the strategic business case for the SEStransit project

Programme	Regional Transport Strategy Delivery Plan
Project partners	Local authorities, City Region Deals, Green Free Ports

Programme summary

The Regional Transport Strategy Delivery Plan will provide a mechanism to identify, assess, prioritise and coordinate all regional transport projects that are required over the medium to long term, to realise the ambitions of the Regional Transport Strategy to support the economic and net-zero ambitions of the Regional Prosperity Framework and local authority economic priorities.

Through strengthened collaboration, joint working, co-production and engagement, we will seek to ensure a robust basis for integrated regional economic development, land-use and transport planning, provision and delivery, maximising the opportunities for our region. The six themes of the RTS Deliver Plan are:

1. Mass Transit (SEStransit)
2. Active Travel
3. Freight
4. Data/Digital
5. Decarbonisation
6. Interchange

RTS actions

Project addresses a wide range of RTS actions therefore individual actions are not listed here

Programme objectives

The initial phase of the programme development focused on the collation of all the currently committed and planned transport investment by partners across the region. Each project was initially assessed against seven criteria of a 'regional' test.

The next phase that was paused in late summer 2025, to allow partners to focus on SEStransit, was to undertake a 'mapping & gapping' review of projects to identify:

- *Cross boundary opportunities for collaboration or upscaling;*
- *Opportunities for coordinated theme delivery*
- *Opportunities for service efficiencies and coordination*
- *Opportunity to increase the ambitions that maybe constrained by local budget reality.*

The programme is paused and will be recommenced in the latter half of 2026/27, so that the emerging outcomes of SEStransit, regional spatial planning and regional economic partnership development can be incorporated into the process. The next steps will be:

- *Review the emerging outcomes of SEStransit to identify areas of focus*
- *Recommence the 'mapping & gapping' exercise*
- *Incorporate the emerging regional spatial and economic development aspirations*
- *Update regional and LA priority lists*

<ul style="list-style-type: none"> • <i>Develop scope of service to commence the STAG process</i>
Milestones/tasks and deliverables
Q1
N/A
Q2
N/A
Q3 <i>Review of regionally dependant projects</i>
<p>Milestones:</p> <ul style="list-style-type: none"> • <i>Review development and impact of SEStransit,</i> • <i>Review development and impact of regional spatial and economic development progress</i> <p>Deliverables:</p> <ul style="list-style-type: none"> • Commission Consultancy Support • Update programme documents • Set up recommencement of regional development in Q4
Q4 <i>Recommence Development/Prepare for future stages</i>
<p>Milestones:</p> <p>Mapping and Gapping Workshops Deliverables:</p> <ul style="list-style-type: none"> • Complete Strategic matrix analysis of projects (incl review of STPR2) • Update regional and LA project priority list • Scoping for STAG/project Development • Programme for next phase • Cost estimate for next phase
Delivery areas
Mapping & Gapping
<p>Completion of project development</p> <p>Update regional and LA project priority list</p>
Next Steps
Scoping for STAG/project Development

Appendix 2 – Cross Portfolio Delivery Areas

Some work SEStran officers will deliver in 2026/27 sits outside the five key programmes described above but nonetheless is key to realising the vision of our Regional Transport Strategy.

Delivery	Description
Regional Transport Strategy Delivery Plan: Active Travel Theme	<p>A key theme of the RTS delivery plan is regional active travel. We have entered an application to Transport Scotland Active Travel Infrastructure Fund to refresh the SEStran Strategic Cycle Network, taking into account local authorities' new and developing plans for connecting routes across the South East.</p> <p>Should we be successful, we plan to update and broaden the use case for the previously developed SEStran Strategic Cycle Network. This would update the network, focussing on both existing, in construction and planned cycling routes. The proposal is to develop an online mapping tool to enable local authorities and other relevant partners to update the network at agreed regular intervals with standardisation of infrastructure types.</p>
Regional Transport Strategy Delivery Plan: Data Theme	<p>The South East of Scotland City Region Deal's authorities have benefited from the insights of the Workforce Mobility Project, but in the future RTPs will more directly receive learnings that will inform the data theme of our work:</p> <p>Mobile Phone Data Dashboards – These dashboards provide footfall data for trip attractors from every UK postcode over five years, supporting RTS delivery plan's data theme. PowerBI integration gives Local Authorities easy access to information, with heatmaps, dwell times, and time-of-day visits for enhanced analysis.</p> <p>Postcode Accessibility Tool – This tool offers detailed analysis of employee data—postcodes and shift patterns—to evaluate sustainable travel to work. By identifying barriers like excessive walking or unsuitable arrival times, it informs improvements to transport and active travel, helping employers support behavioural change.</p> <p>Sustainable Transport Accessibility Tool – The tool analyses transport connectivity to any Scottish site, using user-defined travel parameters. The Midlothian LDP assessment checked sites against public transport, considering a 45-minute journey, 8am departure and 6pm return, providing evidence for strategic improvements in line with RTS goals.</p>

<p>Thistle Assistance</p>	<p>Thistle Assistance is a free app and card for people to use when they need some additional support using public transport. Both can be personalised to show the support required (for example more time getting to a seat) and are shown to the driver or public transport staff member when boarding. The aim of Thistle Assistance is to improve the journey experience for anyone who requires extra assistance while travelling.</p> <p>For 2026/27, the Thistle Assistance project will focus on an in depth evaluation work of the scheme to assess its impact on users, better understand how to best engage with transport operators and identify areas for improvement.</p>
<p>Real time Passenger Information</p>	<p>Real time passenger information covers the provision of bus, rail and tram information via information on screens and apps. SEStran in the next year will be supporting three main strands:</p> <ul style="list-style-type: none"> • Software contract – A regionally procured contract is managed by SEStran on behalf of all local authorities (plus Strirling Council). The contract covers the running of the software which enables officers to input bus timetable and bus stop audit information on behalf of, or in collaboration with, bus operators. This will include a forum to support the contract, offering opportunities for local authorities to share learnings, speak with the provider directly, and discuss future opportunities. • Journeo Equipment Framework – A regional contract procured by City of Edinburgh Council that supports the equipment to display the information, and the associated maintenance to ensure the bus times are displaying correctly <p>Indoor and outdoor screen management – SEStran have built up a network of around 170 screens across the region which are currently situated in public buildings, libraries and park and ride sites. The next year will be focused on improving reliability of screens as certain sites and identifying sites where existing screens are no longer viable.</p>
<p>Climate Adaptation Work</p>	<p>For 2026/27, climate adaptation work within SEStran will focus on strengthening organisational climate knowledge and embedding adaptation considerations across regional transport planning and delivery. This includes developing internal capability through targeted climate workstreams and collaboration with partners, informed by national adaptation priorities and emerging best practice. SEStran will support a more joined-up approach to climate resilience by contributing to cross-sector discussions on climate-ready infrastructure, ensuring transport considerations are aligned with land use, energy and place-based planning. This work sits alongside, and complements, SEStran’s wider programmes, helping to ensure that the Regional Transport Strategy responds effectively to the increasing</p>

	risks posed by climate change while supporting resilient, sustainable communities across South East Scotland.
2026/27 Communications and marketing	This area of work builds on SEStran's Communications Strategy and Stakeholder Map and will deliver communications activity to raise awareness of who we are, what we do and the difference our work makes across the South East of Scotland. It focuses on clearly demonstrating the impact, importance and value of SEStran's work, particularly the benefits of taking a coordinated regional approach to transport challenges. Through consistent, targeted communications, we will showcase our expertise, strengthen our profile with key stakeholders and the public, and make a clear case that we deliver excellent value for money, with the additional investment detailed in this business plan enabling greater social, economic and environmental returns for the region.
Logo Update and Website Redesign	In 2026/27, the SEStran logo will be updated to align with refreshed branding guidelines and support the corporate Communications Strategy and delivery work identified above. Alongside this will be a complete rebuild and redesign of the SEStran website to enable our messaging to reach our target audiences in a clear, effective and impactful way. The rebuild and redesign will allow us to better showcase our work (both projects and strategy), whilst ensuring that basics such as accessibility guidelines are met and provide improved control over the website so more updates can be carried out internally.

Appendix 3 - Our governance

SEStran Partnership Board

The SEStran Partnership Board is the strategic decision-making body for the South East of Scotland Transport Partnership. It sets the regional direction for transport policy, approves budgets, and oversees the delivery of major programmes across the eight partner local authorities. The Board meets quarterly, with agenda-setting sessions held in advance to prepare reports and agree forward business.

Membership is made up of elected members from the partner councils, supported by SEStran's senior management team.

Performance and Audit Committee

The Performance & Audit Committee ensures strong governance, transparency, and compliance across SEStran's work. Its remit includes reviewing financial performance, risk management, audit outcomes, and organisational performance indicators. The Committee meets quarterly, following a consistent annual cycle, with meetings typically scheduled in February, June, September and November.

Attendees include appointed elected members from partner authorities and non-councillor members, alongside relevant SEStran officers who provide reports and advisory support.

PaSDOS (Projects and Strategy Delivery & Oversight Subgroup)

PaSDOS provides focused oversight of SEStran's strategic project delivery. These sessions support coordination across key programmes—such as emerging regional transport initiatives—and help shape papers and recommendations ahead of committee and Board consideration. PaSDOS meetings are scheduled periodically throughout the year, often aligned to programme milestones or quarterly governance cycles.

Typical attendees include SEStran officers, project leads and, where relevant, partner authority representatives.

We are South East of Scotland Transport Partnership (SEStran), bringing together stakeholders across transport, place-based, economic and development planning to shape and deliver a better-connected, low carbon transport system. Our work includes delivering our Regional Bus Strategy, the People and Place active travel programme, Project SEStran, and improving transport to health.

www.sestran.gov.uk



SEStran
Area 3D (Bridge),
Victoria Quay,
Edinburgh, EH6 6QQ

Human Resources Policy Review

1. INTRODUCTION

- 1.1 The purpose of this report is to provide an update to the Committee on the annual HR policy review.

2. BACKGROUND

- 2.1 The partnership's HR policies have been reviewed by Jenny Simpson, HR adviser. HR support is provided by Falkirk Council under the existing service level agreement, which has been renewed until May 2027.

3. HR POLICY CHANGES

- 3.1 A review of SEStran's HR policies identified the following policies as requiring minor updates:
- Family Leave Policy
 - Sexual Harassment Policy
 - Travel and Assistance Policy

A summary of the changes to these policies is set out below.

3.1.1 Family Leave Policy

- With effect from 6 April, employees can give notice to take paternity leave and unpaid parental leave from their first day of employment
- There is a new right to Bereaved Partners' Paternity Leave from 6 April

3.1.2 Sexual Harassment Policy

- Workers who report sexual harassment at work can now benefit from protection under whistleblowing law

3.1.3 Travel and Subsistence Policy

Updated to reflect current HMRC guidance on travel and subsistence, including the increase in mileage rates to 55p per mile for the first 10,000 business miles from April 2026.

5. FUTURE UPDATES

- 5.1 Members should note that the Anti-Bribery Policy is currently under review by the partnership's legal advisers. Proposed amendments will be presented to the September Performance and Audit Committee.

6. RECOMMENDATIONS

It is recommended that the Performance and Audit Committee:

- 6.1 Approves the changes to following policies for implementation:
 - Family Leave Policy
 - Sexual Harassment Policy
 - Travel and Subsistence Policy
- 6.2 Notes that the Anti-Bribery Policy is currently under review and will be presented to the next meeting for approval.

Angela Chambers
Business Manager
29 May 2026

Background Papers:

<https://sestran.gov.uk/publications/family-leave-policy/>

<https://sestran.gov.uk/publications/sestran-sexual-harassment-policy/>

<https://sestran.gov.uk/publications/travel-subsistence-policy/>

Policy Implications	As outlined in the report
Financial Implications	Increase in mileage rates
Equalities Implications	None
Climate Change Implications	None